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Insider's Advice About Diamonds

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"An authority in the industry"

During his 17 years in the diamond business, Schlussel has built up a world-wide network of sources. He travels abroad regularly for a first-hand look at major diamond markets—Israel, Belgium, the Netherlands, Great Britain. The *New York Times* has called Schlussel "an authority in the industry."

He comes right to the point. With a few easy-to-read paragraphs, he tells what's happening and why. He evaluates the buying srength of jewelers as well as investors. He reports news from diamond mining centers such as South Africa, Namibia, Botswana, Zaire, Angola, Brazil, Russia. He keeps you posted on the newly-discovered Australian diamond deposits. Big diamond sales, De Beers' latest financial results, counterfeit diamonds, extracts from the world press about diamonds—Schlussel gives you all this in the *Diamond Registry Bulletin*, too.

Unhedged advice

Moreover, Schlussel goes out on a limb to give bold, unhedged advice. In the *Diamond Registry Bulletin*, he tells which diamonds seem to be over-valued, which under-valued. For instance:

- During the 1974 recession, diamond prices declined about 15%, and many people were afraid to buy diamonds; Schlussel predicted diamond prices would soon rebound to much higher levels, so this was an excellent time to buy—and he was right.
- When the civil war in Angola triggered the dumping of large quantities of small diamonds in 1975, Schlussel predicted a shortage and higher prices would follow—and he was right.
- He predicted that surging demand from investors in Italy, Spain, Portugal and France would drive up prices of top quality diamonds in 1976—and he was right.
- He wrote that one-carat diamonds were under-priced in 1977, and he predicted they'd advance sharply—and they did.
- As speculators bid up diamond prices in mid-1978, he warned that prices of small diamonds would come down—and they did.
- In 1979, he predicted De Beers would hike diamond prices 10%-15%—and he was right again.

Because of this remarkable track record, more and more people are turning to Schlussel for insider's advice. The *Diamond Registry Bulletin* has been quoted in the *New York Times, Forbes, Financial World, National Jeweler, New York Daily News, Jewelers' Circular-Keystone, Diamond World* (Jaipur, India), *Retail Jeweller* (London), *Diamond News & South African Jeweller, Israel Diamonds, Fortune.*

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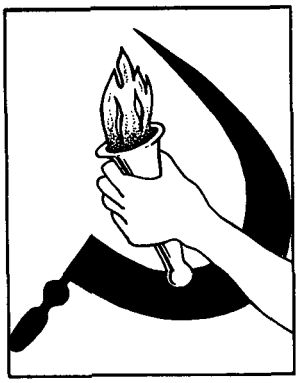

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Cover photo by Mehosh E. Dziadzio

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Time to sell your gold?

"No!" declares Mark Tier, editor of the *World Money Analyst*.

The dizzying climb in the price of gold has sent investors reeling. Why, they ask, did the market react so strongly? And what will happen next?

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In the same issue, there's an exclusive, in-depth interview with Thomas Wolfe, former director of the U.S. Treasury's Office of Gold and Silver Operations — and now a respected precious metals specialist. Wolfe explains gold's present and future role in the U.S. and world economy, the supply and demand picture, and why the price of gold must continue to rise.

Then market analyst Bob McGregor (whose accurate track record of predictions is nothing short of phenomenal) outlines an investment strategy for gold that will help you profit in the months ahead.

But that's not all you'll find in this extraordinary issue. There are tips on buying South African gold shares, the truth about rumors of a return to dollar-gold convertibility, what's behind the Fort Knox story, and much more.

This special issue — packed with valuable advice and information for gold investors — is yours *free* with a low-cost trial subscription to the *World Money Analyst*.

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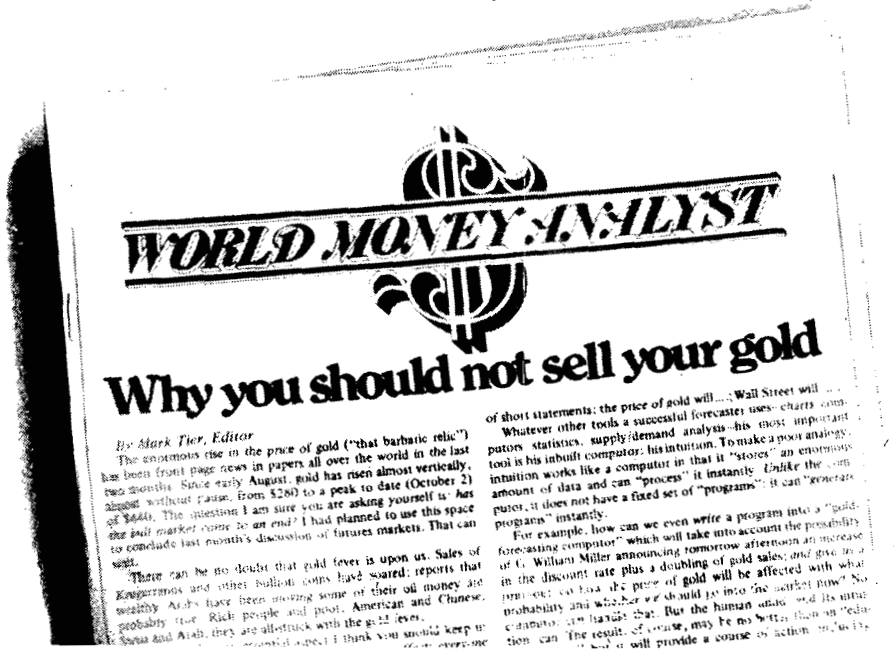
WORLD MONEY ANALYST

Why you should not sell your gold

By Mark Tier, Editor

The enormous rise in the price of gold ("that barbaric relic") has been front page news in papers all over the world in the last two months. Since early August, gold has risen almost vertically, almost without pause, from $280 to a peak to date (October 2) of $446. The question I am sure you are asking yourself is: *has the bull market come to an end?* I had planned to use this space to conclude last month's discussion of futures markets. That can wait.

There can be no doubt that gold fever is upon us. Sales of Krugerrands and other bullion coins have soared; reports that wealthy Arabs have been moving some of their oil money into gold probably true. Rich people and poor, American and Chinese, Swiss and Arab, they are all struck with the gold fever.

of short statements: the price of gold will ... ; Wall Street will ... .

Whatever other tools a successful forecaster uses—charts, computers, statistics, supply/demand analysis—his most important tool is his inbuilt computer: his intuition. To make a poor analogy, intuition works like a computer in that it "stores" an enormous amount of data and can "process" it instantly. *Unlike* the computer, it does not have a fixed set of "programs"; it can "generate programs" instantly.

For example, how can we even *write* a program into a "gold-forecasting computer" which will take into account the possibility of G. William Miller announcing tomorrow afternoon an increase in the discount rate plus a doubling of gold sales; *and* give us a prediction on how the price of gold will be affected with what probability and whether we should go into the market now? No computer can handle that. But the human mind—and its intuitive capacity—can handle that, may be no better than on "educated guess". The result, of course, may be no better than on "educ-

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- 14 tips for preparing contracts—and priceless negotiating moves from a canny lawyer who has seen it all!
- 4 essential elements of a partnership. Wise advice before you enter *any* partnership. 15 points to consider when you and your partner draw up an agreement.
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- 3 contracts that must be in writing.
- 23 items you should look for in any employment contract.

One word of warning: John Howell recognizes, better than a nonlawyer ever could, that there may be times when you must have a lawyer. In fact, he is careful to spell out dangerous situations when you do need an expert.

But he also knows that in most cases you don't need expensive help to do a simple job you can handle yourself. All you need is this book. After all, would you hire Rembrandt to paint your back fence?

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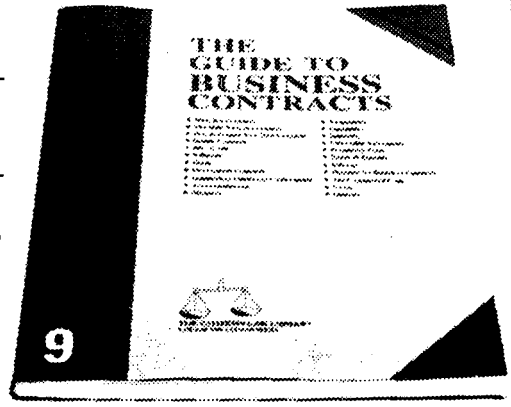

TRUE OR FALSE?

Test your legal knowledge about these everyday business and personal situations:

- ☐ If you sign a valid employment contract, you may not quit your job while it is in force.
- ☐ A trucker agrees to transport your belongings for $1,000. Later he tells you that regulations require him to charge $2,000. You must pay him $2,000.
- ☐ Oral contracts are binding.
- ☐ The government may not pass a law to invalidate a contract that you and your neighbor sign in good faith.
- ☐ A court can declare your contract illegal if you don't use the proper legal language.
- ☐ A contract with a 17-year-old is never valid.
- ☐ An IOU written on a scrap of paper is legal.
- ☐ Your grocer and you are held to the same legal standard in your business transactions.
- ☐ Lifetime employment contracts are legal.
- ☐ If you can prove a breach of contract, you can collect damages.

John Howell gives you the surprising answers to these and scores of other puzzles.

JOHN C. HOWELL is an attorney specializing in corporate law and trial work. Though he does most of his legal work in Colorado, he has also been admitted to practice before the U.S. Supreme Court. He is the author of 16 books and numerous law review articles.

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editor's notes

• **INVESTIGATIVE JOURNALISM.** We are pleased to announce the receipt of a new grant for the Reason Foundation Investigative Journalism Fund. We are actively seeking leads to worthwhile investigative projects, as well as qualified journalists interested in doing such reporting. If you fit into either category, let us hear from you.

• **RESPONSE TO NADER.** Senior Editor Tibor Machan conducted a highly successful media campaign against Ralph Nader's attempted "Big Business Day" in April. In addition to his editorial in REASON—"The Anti-Business Mentality"—Machan had op-ed pieces published in both the *New York Times* ("Don't Turn Employees into Police Informants," April 16) and the *Los Angeles Times* ("An Unexpected Defense of Businessmen's Rights," April 20). In both cases Machan argued for even-handed consideration of people in all professions as to possible wrong-doing, rather than singling out those in business for a presumption of guilt, as Nader's proposals seem to do. Machan's articulate arguments, perhaps helped by his identification as a professor of "Marxist economics," led to *Time* picking up a quote from his *New York Times* piece to conclude its own coverage of Big Business Day. [Not to worry, folks—Machan is teaching UCSB economics students *about* Marxist economics, not teaching them to *be* Marxists!]

• **CATALOGUED.** When you pick up your copy of *The Next Whole Earth Catalog*, due out in September from Random House, be sure to look for the section on Libertarian Periodicals. There you'll find a perceptive overview of the libertarian movement, followed by brief reviews of *Inquiry, Libertarian Review,* SLS's *Liberty, Libertarian Vanguard*, and our very own REASON and FRONTLINES. While the Whole Earth folks found REASON somewhat "stolid," with "the air of a slightly stiff Rotarian [!] loosening his tie while he excitedly discusses abolishing the Income Tax," they praised it for revealing worthwhile truths and cited our "bold investigative report on curious United Farm Workers funding." For FRONTLINES, they had unmitigated praise. Terming it "lively, gossipy, and informal," they concluded that "there's probably no better way to gain a compact overview of the libertarians. Highly recommended."

• **FOR THE RECORD.** Ron Paul's much-quoted "SALT-Free Defense" from our March issue has now been reprinted in the *Congressional Record*. Interested readers will find it on page H2317, March 27, 1980.

• **SUPER-GLUE BROADCAST.** David Mathisen, author of our exclusive report on FDA suppression of the medical uses of super glue, was the featured guest on Clark Weber's "Contact" program on radio WIND in Chicago, April 30, the same program that last fall featured REASON author Patty Newman debating Cesar Chavez on the points in "Who's Bankrolling the UFW?" (Nov. 1979).

• **PRIVATE SPACE PROGRAM.** If you were thrilled by the photos of the surface of Mars sent back by the Viking landers, here's your chance to participate personally in the space program. Although one of the two landers went dead in March, the other is expected to continue transmitting valuable scientific data for up to 10 more years. There's just one problem. NASA funding cuts threaten to eliminate the relatively modest budget for processing and analyzing the Viking data. Hence, the San Francisco section of the American Astronautical Society has set up a voluntary program to raise $1 million for this purpose. Your tax-deductible contribution will keep the computers humming and the analysts computing—and perhaps set a healthy precedent for voluntary support of space efforts. Send it to the Viking Fund, Box 7205-R, Menlo Park, CA 94025.

• **TRITIUM UPDATE.** Shortly after our March article on the hysteria in Arizona over tritium release from a luminous-dial factory, an editorial in *Science* made much the same point. Merril Eisenbud of the New York University Medical Center pointed out that the radioactivity of tritium is so weak that if all the tritium and carbon-14 (also a "soft beta emitter") used in 1978 by *all* US biomedical institutions were to be discharged by a single incinerator stack, the dose to the public would meet existing standards within a few tens of meters from the stack. Eisenbud pointed out that NRC and EPA regulations permit biomedical institutions to incinerate such wastes but that none have chosen to do so, *for fear of adverse public reaction.* Instead, they have "opted to accept the burden of unnecessary record-keeping and inspection procedures, as well as the expense of shipping their wastes to distant burial grounds."

—R. P.

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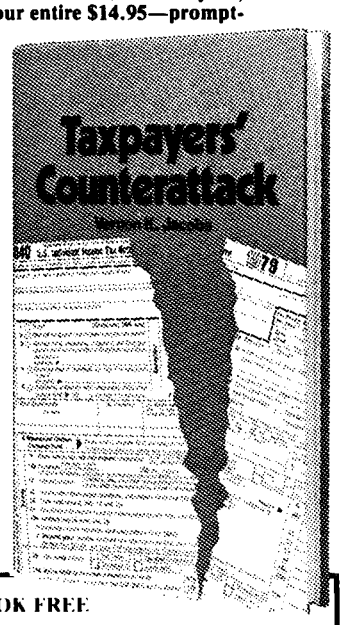

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Relight the Beacon of Liberty

editorial

For many Americans, the bungled attempt to rescue the hostages in Iran felt like the last straw. "My God," one acquaintance remarked the next day, "can't we do *anything* right any more?" A numbing malaise has spread across the land, as failure after failure in foreign policy parades across our TV screens and daily newspapers.

Yet it would be a mistake to identify the failings of a president with a failing of America. At the very moment when three RH-53 helicopters were breaking down in the desert, hundreds of small boats were setting out across the Florida Straits to bring Cuban refugees from the port of Mariel to this country. Day by day the numbers mounted: 350, 1,500, 3,500, 8,000, 15,000, 30,000, 43,000, 55,000 . . . and the total continued climbing at press time.

Talk about foreign policy victories! Here was the socialist paradise of Fidel Castro — self-styled leader of the Third World, darling of leftists everywhere — hemorrhaging away its individualists once again. The country that seeks to export its "revolution" to the Caribbean and Africa is now described by former Castro aide and propagandist, Carlos Franqui, as "the mother prison, totally surrounded by water" (*American Spectator,* May 1980). Every Cuban must carry an internal passport at all times or be thrown in jail. Thousands are detained in prisons and labor camps. The economy is a disaster: the meat ration has been cut from 12 ounces every nine days to 12 ounces every 45 days; even black beans are in short supply, and *tobacco* must now be imported from Spain. Cuban officials in Washington estimate that as many as 200,000 people would like to emigrate to this country; that's on top of the 800,000 who have come here in the past two decades (out of 9.8 million people).

Handed this golden opportunity to contrast freedom with socialism, the Carter administration blew it again. First the State Department ordered boat owners not to go to Mariel to pick up refugees. When that had no effect, it hinted that only the first 3,500 people would be accepted, the rest deported. Then it agreed to accept them all "conditionally" for 60 days, to give immigration officials time to decide who is unacceptable. It has also begun handing out citations to boat owners, carrying penalties of up to $1,000 for each refugee carried!

The actions of the Cuban freedom-seekers — State Department morons not withstanding — are a ringing affirmation of the continuing attractiveness of America, a country founded on the idea of individual rights. Third World demagogues can harangue and denounce all they want, but the fact remains that individuals everywhere seek political and economic freedom — the opportunity to build a better life, with some reasonable chance of success and without fear of repression.

The United States once based its foreign policy, such as it was, on being a beacon of freedom to the rest of the world. Instead of propping up favored dictators and overthrowing disfavored ones, the US government minded its own business. And in those days that business consisted largely of providing a federal court system and maintaining sufficient defense forces to deter attacks. The results were twofold: the American idea attracted immigrants who wanted to build better lives here, and it inspired revolutions — not socialist revolutions, but revolutions against tyranny.

We could overcome America's malaise by restoring this country as a beacon of hope to freedom-seekers everywhere. That would require more than just giving up largely futile attempts to stage-manage world events. Specifically, it would require both a determined effort to restore real personal and economic freedom in this country *and* a willingness to open our doors to all who are willing to risk everything to get here.

What would this latter entail? To begin with, it would mean a complete reversal of the State Department's hostility to refugee sealifts like that from Mariel. It would also mean abolishing the untenable distinction between *political* and *economic* refugees. Under this doctrine, refugees from Haiti, for example, have been harassed and jailed after making the perilous 800-mile voyage to Florida. Apparently, because brutal dictator "Baby Doc" Duvalier is not a Communist, the Haitians are considered to be "merely" seeking economic gain (such as three meals a day instead of starvation) — not unlike, incidentally, most of the Cubans arriving from Mariel. (This distinction perpetuates the false dichotomy between personal and economic freedom that underlies so much government meddling in our society.)

To be sure, many Americans are honestly fearful that under such a policy this country would be swamped by people who would become both a burden on the taxpayers and a social problem. Already, cries of fear and resentment are being heard from south Florida. To reassure such people, it would be reasonable to couple the new immigration policy with specific reforms along the following lines:

- Limit taxpayer-funded assistance to noncitizens to a relatively brief period after arrival.
- Repeal minimum wage laws so as to expand the market for labor.
- Abolish government programs mandating bilingualism.

Such policies would make it clear that the United States welcomes people who will take responsibility for their own lives and be productive citizens — as it did in the 19th century when most of our grandparents came here.

Fair-minded people of all political persuasions — liberal, conservative, libertarian — should support this kind of open-door policy. Conservative columnist George F. Will is one who would. In his syndicated column, Will had this to say about the exodus from Mariel:

> *Such people are a resource more precious than all the oil under Saudi Arabia. They are the kind of people who built America, who made it a beacon to the world, and who can help revitalize it. America can never have enough of them.*

Robert Poole, Jr.

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letters

Unreasonable Interpretation?

I find it difficult to believe the name of your magazine is REASON, for no reasonable individual could possibly put the construction that Mr. Machan managed to put upon my remarks in *TV Guide* (Editorial, May).

The question put to me was: "Do you handle someone who may have something to hide, any differently from a Baryshnikov or a Horowitz?" Wouldn't you? If you believed you knew the facts behind a murder or a theft or an egregiously immoral act, and you had the chance to confront the alleged perpetrator on television, wouldn't you handle him in a fashion utterly different from that you'd use in profiling an artist? If Machan believes that because I mentioned "businessman" in my answer that signifies I am anti-business, he is more paranoid than any reasonable person has a right to be.

Come off it! Like you, I'm the beneficiary of the system under which we live and prosper. I revere it, appreciate it, and revel in the chance, the freedom it gives me, to criticize or question when the system sometimes goes awry.

Mike Wallace
CBS News
New York

Mr Machan replies: No doubt I indulged in a bit of hyperbole at Mr. Wallace's expense. Yet one would have to strain to put a benign construction on his comment. He immediately assumed that "someone with something to hide" must mean people in business. Why the kid gloves for university life, science, and the arts? The visibility and obvious profit-seeking behavior of business make it a convenient target in a climate of an ethics of self-sacrifice. This hides the more subtle evils perpetrated by members of other institutions. Mr. Wallace and *60 Minutes* ought to take on some more difficult tasks than revealing what caters to popular envy, namely, the occasional misdeeds of those explicitly set on earning money. As to Mr. Wallace being "the beneficiary of the system," surely he doesn't expect this to prove anything. Jane Fonda, Ed Asner, Michael Douglas, and countless others are unabashedly anti-capitalist yet flourish through the system. Even Ralph Nader would amount to little without the system. It is actions that speak loud and clear here, not mere assurances!

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Nader Needs It

Dandy editorial in the May issue, Mr. Machan. Boy, you sure hit the nail on the head. Hope old Nader reads it! Keep up the good work!

R. Mathews
Sedona, AZ

Unglue the FDA

The cover and story on body glue (May) is a good example of what is wrong with our government. Enclosed is my letter to President Carter suggesting action he should take.

Thanks for REASON—I enjoy it.

Willis H. Hall
Detroit, MI

Dear Mr. President:

You are properly concerned about the lives and welfare of 50 Americans held in our Embassy in Iran. Their detention and your concern is a matter covered by news, radio, and television each day.

But what are you doing about the Americans who have died and others who will die in the months ahead because of the long continued failure of the Food and Drug Administration to approve the licensure of cyanoacrylate?

Ask your staff to obtain for you a copy of the May issue of REASON. The front cover and the story on pages 20 to 27 detail the incredible record of the Food and Drug Administration in this matter. You have been shocked by many things the government bureaucracy does or fails to do, but I believe you will agree that this case wins the "Idiots' Award."

You seek the approval and support of our European allies in connection with some of our problems. They have authorized the use of this lifesaving product for 10 years.

You have a problem in connection with the unlawful detention of the 50 Americans in Iran. Some suggest the use of a naval blockade—but you have no such problem in connection with aiding the larger lifesaving of Americans at home. No battleships—no blockade of Washington.

I respectfully suggest you get the head man of the FDA on the phone and advise him, "Approve the license within 5 days or your resignation will be accepted."

Keep Politics Out of It

I have just read in the May issue ("The Human Value of Sex") how homosexuality and bisexuality "generally do reflect a detour or blockage on the pathway to full maturity as an adult human being...." So much for libertarianism. I am cancelling my membership in all libertarian organizations, discontinuing subscriptions to all libertarian publications, and stopping payment on a check to the Ed Clark campaign.

Thank you for opening my eyes. A political system or philosophy is only as good as those people who partake in it. If bigots run the show, their policies will reflect bigotry. Libertarianism is no different. The fact that this outrageous article could appear in a libertarian publication is proof of this.

See to it that your filthy Nazi newsletter no longer finds its way into my mailbox. I already get enough junk mail and other mind pollution as it is.

David Freece
St. Clair Shores, MI

The editors reply: We thought we didn't need to explain to our readers the difference between stating a psychological/biological conclusion about sexuality and making a *political* or even social judgment about the matter. If it is true that homosexuals and bisexuals are not fully mature human beings, this has absolutely no implications for treating such persons any differently from their fellow citizens, and it needn't even have any social implications—for example, whether one should invite such a person into one's home. There are all kinds of failures of the fullest human development possible, from missing one toe to not having read Shakespeare. But Shakespeare haters need not become outraged at our suggesting it—we'll defend to the death your right to miss out on the experience.

Who Gets to Own Alaska?

Chuck House's article, "Who Gets to Destroy Alaska?" (Apr.) presents a facet of the controversy over Alaska's lands that is not often seen in the lower 48. As in any political battle, the issue is being fought among those who have the high stakes that are required to devote time and money to present their case.

The consumer/taxpayer who usually ends up paying the bill is busy looking after his own affairs. The news media and the politicians seldom pay attention to those few on the sidelines who do see what is going on and try to speak out.

The article expresses many Alaskans' fears of changes that may be wrought by the National Park Service. Yet it is disappointing, because House only hints at the basic issue when he says that the Alaskans are "quick to dispute the premise that only land 'protected' by the federal government will survive destruction." He offers no alternative to federal "protection." Instead, it appears that Alaskans equate "freedom" with their habit of using the federal lands of Alaska as they please.

Ninety percent or more of the lands of Alaska are still owned by the federal government. Federal ownership means that decisions on how the lands are to be used will be political decisions, made in Washington.

Since political decisions are most influenced by those who can give the impression of exerting the greatest pressure, and since political pressure depends in part on head counts, and since Alaska has well below one half of one percent of the total population of the United States, you can be sure that Alaskans will have little to say about how Alaskan lands are managed so long as they are owned by the federal government....

A decision to turn federally owned lands over to private owners would be a political decision in itself, of course, but one which has a greater chance of success. If the question of public vs. private ownership of lands (and all other resources) were brought out in the open and honestly studied and discussed, more people in this country would realize that the outcome of the debate will affect their right to own a home or to build one on the vacant lot they may have purchased. Then Alaskans might well have greater support from the outside.

C. R. Batten
Sacramento, CA

March On!

I was very impressed by the March issue. The articles on radiation by Cohen and Brucer were straight to the point. The biggest surprise was the SALT article by Ron Paul. This is the first clear presentation I've seen of the underlying reasons for the drive to curb foreign intervention by the U.S. The article reminded me of the line from *Butch Cassidy and the Sundance Kid*: Rules? In a knife fight?!

Rudebarbs was another good one. I had never seen the strip before; it's a knockout. May your presses never stop.

J. H. Phillips
Austin, TX

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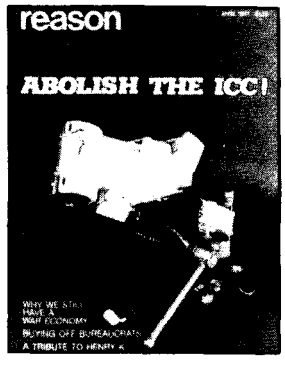
REASON's demolition of the case for transportation regulation?



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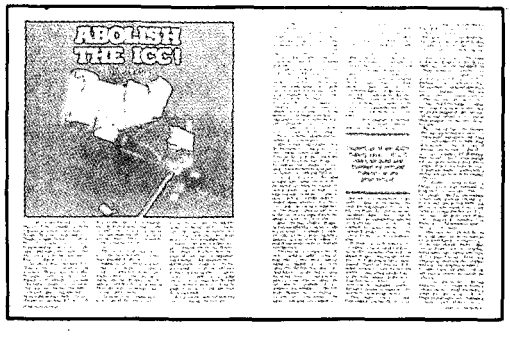
In this issue REASON's irreverent Tim Condon takes on the ICC—and leaves not a single regulation standing. Among the other articles in this issue are Bruce Bartlett's explanation of why we still have a war economy, ex-bureaucrat Abe Kalish's plan for phasing out bureaucrats, Tibor Machan's defense of the relevance of philosophy, and Jeff Riggenbach's interview with Timothy Leary. Plus: Murray Rothbard on conspiracy theories of history, a report from South Africa, and a profile of energy analyst Petr Beckmann.



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Underground GNP

I found your Trends item (Mar.) on the growth of the underground economy in the United States encouraging, but have difficulty with numbers of such magnitude. Turning to the *World Almanac* for help, I discovered that $500 billion gives the underground economy a Gross National Product roughly that of France and twice that of Great Britain.

Perhaps libertarians, agorists, and anti-government allies should reevaluate our allocation of money. The most efficient use of our resources in the development of a free nation might be to purchase England!

Seriously, this information in your March issue, considered along with your statistics on government beneficiaries in April (Trends), portend the future of the State-controlled economy. J. Neil Schulman's prediction in *Alongside Night* of the countereconomy all but starving the government out of existence as soon as 1999 now seems quite realistic.

Ron Chusid
Des Moines, IA

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Land Use for the Landed Gentry

As one who led the successful fight to defeat a state land-use plan in Vermont, I can testify to the accuracy of Jim Davidson's remarks (Viewpoint, Apr.) on land-use control schemes as a device to suppress the undesirable lower class.

On one occasion during the Vermont battle an extremely wealthy environmentalist, a financial mainstay of the land-use control forces, wrote letters to the editor advocating strict zoning as a birth control device, arguing that if poor families were unable to find small lots on which to build houses, they would limit their family size and live elsewhere—presumably in tenements.

On another occasion a prominent legislator said, in a debate with me at Dartmouth College, that farmland was so priceless a resource that it had to be kept in production at all costs. "And what if the old farmer and his wife want to sell out and retire to Florida?" I inquired. His reply: "Then we'll get rid of them and put somebody else in there who will keep on farming!" This forceful response left a number of Dartmouth students, ardent environmentalists all, visibly shaken.

On another occasion I was asked to present the case against the state land-use plan—which would have put the State in control of every single foot of the state—before the most rabidly socialist student body in the state (if not the U.S.), that of Goddard College. I pointed out how Quechee Lakes, a high-toned corporate development, had made its peace with the environmental controllers and was continuing to build fancy houses on $60,000 *lots.* Then I cited regulations and statements of the environmental controllers making it perfectly clear that the target of their controls was not big corporate developments but people who wanted to build nontraditional and unsightly yurts and zomes and paint them purple—not to mention lower-income working families. I could tell there was going to be a long debate on this subject after I left. A month later, the socialist third party in Vermont came out with its platform. It condemned the state land-use plan as a ripoff for the rich and the big corporations and a threat to the poor people of the state. God bless 'em!

The drive for land-use control has little or nothing to do with protecting the environment. That is merely an excuse. The real reason is to centralize power in the State, there to be exercised to the advantage of the ruling class. The controllers cannot tolerate diversity, freedom of choice, and worst of all, independence among the lower classes. Fortunately, 700 farmers and mechanics crowded a high school gym for a legislative hearing in Montpelier in 1974 and dealt that movement a death blow. May the citizens of other states emulate our example.

John McClaughry
Concord, VT

To the Founders' Defense

As a former participant at one of Cato Institute's summer seminars, I must take issue with John W. Harding's criticism of Cato's "Founding Fathers" ad in REASON. The fact is that, between the strains of "Cato Uber Alles" and Ed Crane's outstanding Peter Keating imitation, the student is presented with a seminar comparable with the best graduate schools in the country. I challenge Mr. Harding to attend Leonard Liggio's lectures on American foreign policy and maintain the claim that he is not listening to one of the builders of an authentic libertarian foundation. It is true, of course, that Cato would do well to add speakers from other sources such as the Reason Foundation. On the other hand, everyone didn't make it to the constitutional convention either—and of those who did, surely Mr. Harding does not entertain the schoolboy notion that all were heroic in stature? But as to the main lure of the advertisement—Cato's "Founding Fathers' Convention" does concern itself with person-to-person contact between individual seminar participants and "big name" speakers as claimed.

Philip E. Jacobson
Fayetteville, NC

Neier Naughties

Linda Abrams's otherwise capable review of Aryeh Neier's *Defending My Enemy* (Apr.) left the reader with the impression that Neier, and the national ACLU during

(Continued on p. 63.)

brickbats

☐ **In the tropical peasants'** paradise of Cuba, the travel season has arrived. Thousands of eager overseas *turistas* readied themselves for their voyages by crowding the Peruvian Embassy the very instant the Communist guards were recalled (a move by Castro to punish the Peruvians for embarrassing his progressive regime). So enthusiastic were the holiday-goers that one onlooker exclaimed: "There are people in the branches of the trees, on top of the destroyed iron grating and even on the roof of the embassy....there is virtually not enough room for a single other person in our embassy." The festive mood was accented by cheers of "Liberty! Liberty!" and "Down with Communism!"—a popular Cuban folk-saying. Of the 10,385 Peruvian travel customers, 80 percent were under 30 years of age. Said one of the more serious vacationers: "I feel like it is a new day. I have left the hell of Cuba." And an English student at the University of Havana rejoiced: "I came alive today. I was dead. I was like a robot, but now I am a man again. I don't want Castro's government telling me what to do." (You know how students are on the first day of vacation.)

Castro is expected to stay in Cuba. As a matter of fact, a major new push is on for what he deems the "voluntary" nature of "the fight for socialism and communism." Such "voluntarism" is belied by the sort of capitalist-roaders who, previous to the latest exodus, held several Cuban ships at bay, forcing them to provide safe passage to America. That insidious gang numbered 110. But now thousands upon thousands make a mad dash for the United States, Spain, Canada, Ecuador, Belgium, Argentina, Brazil, West Germany, Costa Rica, Sweden, and Peru. Those fleeing the Cuban SS by way of Florida were, of course, met by armed agents of the Immigration and Naturalization Service.

☐ **Even greater experiments** in applied Marxism were being conducted in the Soviet Union, where People's Technology and Organization sweep the red State even now, despite some 63 consecutive bad-weather harvests. News from *Newsweek* is: "Kremlin leaders want to pump a larger share of state investment and resources into the private farms that manage to outproduce big collectives. By law, no Soviet citizen can farm a private plot larger than 1 acre. Nevertheless, private farmers working 1.4% of the country's arable land produce 61% of its potatoes, 34% of the eggs and 29% of the meat, milk and vegetable output. Communist critics are admittedly unhappy with the incentive for such production: profits. Some private farmers earn up to ten times the $4,500-a-year maximum for collective-farm work."

The problems with the Soviet State super-farms escape even further into the bounds of the inexplicable when one considers the superior leadership available to them. To wit, the poetic Mr. President Leonid I. ("Leo") Brezhnev, just awarded the coveted Lenin Prize for Literature. (The citation is perhaps the most esteemed award in all the USSR in that it carries no prison sentence.) The subject of acclaim was the well-known Brezhnev trilogy—*Little Land*, *Rebirth*, and *Virgin Land*, personal memoirs published in 1978 (check your local bookstore). The gracious recipient proclaimed: "I believe we are obliged to pass on to the new generation all of value from our experience. I continue thinking of this, and if I find time, if I manage, I shall continue these notes. So please consider that I regard the award presented to me today as an assignment for the future."

Yet he underestimates his past works. Consider: "As you know, I am not a writer but a party functionary. But as every Communist, I consider myself mobilized by party propaganda and see my duty in actively participating in the work of our press." Such dedication must have proven the motive force behind this literary gem: "Time is passing quickly. It cannot be stopped. This imposes on us a special responsibility for the growing generation." To which only the master himself could adequately respond: "The most fearful enemy here is thoughtlessness, and heartless formalism, the inclination to clichés and twaddle."

☐ **Not reaching** to nearly such thin-aired cultural heights was, naturally, the "heartless formalism" of the US government. As brought to public attention by the testy Alfred Kahn, bureaucratese continues to make impressive gains on the other national tongue (English). From a federal guidebook on the prevention of fires comes this enlightenment: "Prevention is the avoidance of fire occurrence. To the degree that prevention efforts are successful, the problems related to fire are completely avoided." (Is the Pulitzer committee listening?) The General Accounting Office entered the contest with this outstanding effort: "It is important to understand the various aspects relating to all factors in order to achieve a general feel for the classification mode of thinking as well as to be able to explain to staff why factors addressed on a position description have not necessarily been addressed on an assignment complexity evaluation." (Apparently neither team had any time-outs remaining.) But let's credit precision when we see it, as in this Department of Energy pearl: "The ad hoc transition team is temporary in nature."

☐ **The oppressed members** of the New York City municipal transit unions got their chance to partake in the true spirit of American unionism before their strike succeeded in sucking the next to last drop from the taxpayers' necks. As reported by the Associated Press: "In Brooklyn, tires were slashed and windows smashed on 15 private buses parked in a motel lot. They had been chartered by private businesses to haul their employees to work during the strike. In the Bronx, police reported that strikers or their sympathizers stopped several private buses carrying passengers into the city and disabled them by removing their ignition coils. Also in the Bronx, a carload of strikers forced a private bus to the side of the street and broke its windshield wipers, making it unable to proceed in the foul weather." Then they broke other buses, tied up bridges into the city by parking their cars on them...oh, you know.

☐ **The United States,** you may have heard, entered into military action for the first time in five years by sending eight helicopters on a top-secret Iranian rescue mission. The crack all-armed forces team was not even to its rescue destination, however, when three of the eight airlift units went dead. The government, which spends in excess of $120 billion annually on such military items, called off the caper.

Not surprisingly, helicopters quartered in the private sector perform far more reliably, particularly the one commanded by the popular Hollywood heart-throb Robert Redford. Robert the Handsome was just coptering into the Mt. Timpanogos Scenic Area in Utah, which is "closed to all types of motorized vehicles, including helicopters," when busted by the US Forest Service. An avid ecologist, Redford will no doubt use the incident as anecdotal material when next lecturing on the environmental evils of all development occurring within a 100-mile radius of the exclusive Redford ranch-style estate in the Utah wilds.

—Thomas Winslow Hazlett

trends

Utility Deregulation Forecast

Last year in this column we reported historical research revealing that around the turn of the century electric utilities were granted *competitive* franchises (see "Utility Revisionism," Aug. 1979, p. 14). In those days relatively orderly competition took place, only to be replaced by state regulatory commissions. The result, as documented by economist Gregg Jarrell, was *higher* prices and higher profits for the now-monopoly utilities.

Today's rapidly changing energy picture is causing some analysts to reconsider a competitive marketplace in electricity. Roger Sant of the Mellon Institute, for one, dismisses the idea of electric utilities as natural monopolies. In a recent Mellon study, *The Least-Cost Energy Strategy,* Sant points out that there's a wealth of competition for central-station electricity: gas for cooking and heating, oil for heating, cogeneration (production of on-site electricity) from industrial process heat, and compact total energy systems, to name just those commercially viable today (let alone the solar cells and windmills suitable for special cases today and perhaps more widespread use in the future). Sant forecasts a competitive energy economy in which local electrical distribution systems would select among suppliers of power for their customers.

But why stop there? How about competition in the distribution networks? Probably not by duplicate sets of lines, but by one firm underbidding the existing distributor and buying up its lines—that is, competition over time, rather than within territory. Something of this sort is taking place in North Carolina right now. Oil-burning Virginia Electric & Power Co. (Vepco) serves 22 counties in the northern part of North Carolina, charging residential customers $58.59 per 1,000 kilowatt hours (kwh). Just to the south, coal-burning Carolina Power & Light charges only $43.51. As a result, the chambers of commerce in 12 communities have created Operation Overcharge to lobby for Vepco to sell its North Carolina lines to Carolina P&L. The group has prepared a stockholders' resolution to that effect, for consideration at Vepco's annual meeting. The Carolina firm isn't supporting the petition but *is* negotiating with towns in Vepco territory and has won over several. Vepco, meanwhile, is fighting to preserve its monopoly.

Utility firms ought to realize that regulation can be contrary to their long-term best interests, argues Sant. And he's supported by economist Kenneth Lehn of Washington University. For his doctoral dissertation Lehn examined the effects of differences in prevailing ideology among states on the cost of capital to utilities. He found that in states with a high degree of political liberalism—as measured by either 1972 voting for McGovern or 1975 ratings of House members by the Consumer Federation of America—the result could be higher interest rates on 30-year utility bonds amounting to as much as 163 basis points—a differential of over 15 percent in the average yield. Evidently, purchasers of bonds can discern that their risks are greater in states with a liberal political climate. One wonders what valuation those same investors would place on an openly competitive environment for electricity.

New Country Progress

One of the fondest dreams of many libertarians and other freedom seekers has been to set up a new country beyond the sovereignty of existing States, where true liberty would be the rule. Many such efforts have come to naught, but three more are under way at this time.

As we reported last October (see "Islands of Freedom," p. 32), a libertarian-oriented foundation has been assisting the indigenous Na-Griamel movement in the New Hebrides islands in the South Pacific. Last November the soon-to-depart colonial powers there—Britain and France—supervised elections for an independence government. The elections were won by the socialist Vanuaaku party, amidst charges of irregularities that have not been investigated. As a result, the free-enterprise Na-Griamel movement, with the tacit support of the French, declared the independence of its main territory, the island of Espiritu Santo, largest in the archipelago.

The new country calls itself Vemarana. According to a report in London's *Financial Times* (Mar. 19), it has kicked out the district commissioner, opened an office, and hoisted its own flag. Na-Griamel radio broadcasts for an hour each day, with "community service messages, threats to the Vanuaaku government, and sermons from [President] Jimmy [Stevens] to his followers." There are also passports, gold coins, and a free-enterprise-oriented constitution. All may come to naught, however, once the British/French pullout occurs (it was scheduled for May). Whether the new socialist government will leave Vemarana in peace is an open question.

The other two projects are closer to home. One is Herbert Williams's island in the Rio Grande River: Cherokee Nation. The part-Cherokee retired Air Force colonel plans a free-enterprise tax haven, complete with gambling casinos, banks, a shipping registry, and retirement condominiums. The uninhabited 183-acre island was created in 1967 by Hurricane Beulah. Williams obtained title from the Mexican government in 1974 and is currently negotiating to obtain sovereignty. His negotiators include Arnold Burns, head of a Washington law firm that has drafted new constitutions for Namibia and Uganda, and former Washington, D.C. mayor Walter Washington. Williams plans a July 4 flag-raising celebration on the island.

Another idea for a new country has been to create an artificial island. The ill-fated Minerva project in 1971 had planned to build a concrete island on the semi-submerged Minerva Reefs, but the huge costs (as well as the King of Tonga's intervention) scuttled the project. Now, however, it looks as if the cost problem has been solved. A 31-year-old University of Texas architecture professor, Wolf Hilbertz, has developed a way to "grow" structures under water. The concept involves creating a framework out of wire mesh or reinforcing rods and running an electric current through it; minerals dissolved in the seawater are attracted to the negatively charged metal and aggregate on it, after some months forming a solid, load-bearing structure.

Thus far Hilbertz's largest structure, in the Virgin Islands, is an underwater building 20 feet high and 30 feet square at the base. He has also created two artificial reefs off the Texas coast. But the dream of his Marine Resources Company is to grow an entire island, independent of any existing State. Hilbertz searched for likely sites in international waters and found one—Alice Shoal—convenient to St. Croix, several hundred miles south of Cuba. He has secured permission from the US Coast Guard to use unoccupied Navassa island as a supply base while growing the island. It looks as if Minerva was only a decade ahead of its time.

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they've gone ahead and built a $10 million, 10-mile, four-lane freeway, entirely in the private sector (no tax money, no use of eminent domain).

The "they" in question is the West Houston Association, a group of land developers, financial interests, and major corporations. The rapid growth of West Houston has left the area short of roads and mired in traffic. Rather than wait for government to get around to doing it, the association members decided to build the needed roads themselves. Their freeway runs parallel to Interstate 10, linking Texas 6 to the town of Katy. In addition to the freeway, they have built new roads within their industrial areas bordering the freeway.

Although land acquisition and construction are costing $1 million per mile, the association will not be charging a toll. The way they see it, their businesses will benefit greatly from improved transportation, and the value of their land will increase accordingly. And that is apparently enough of an incentive for them to shoulder the full costs themselves.

"If we didn't have government, who would build the roads?" runs an old refrain. Well from now on, don't you believe it.

Moves Toward Self-Defense

The days of the US government as the protector of the non-communist world seem to be numbered. Other Western governments are both talking and taking action to provide more of their own defense.

The Australian government, for example, has awakened from a decade or more of defense lethargy. Between now and 1985 defense spending will be increased from 2.6 percent of GNP to 3 percent. The army will be increased severalfold from its present 32,000 soldiers, the air force will replace its aging Mirage fighters with US F-16s or F-18s, and three or four new frigates will be added to the navy.

Japan, too, is under increasing pressure to up defense spending from the present miniscule 0.9 percent of GNP. Adding to the call has been Hosai Hyuga, president of the Kansai Economic Federation, Osaka's leading business organization. In a February speech Hyuga pointed out that even neutral Switzerland spends 1.9 percent of its GNP on defense. Citing a study of Japanese defense by the Research Institute for Peace and Security, he argued that Japan needs to spend at least $3.3 billion more (beyond the present $8.9 billion) to build a credible deterrent. A Soviet invasion would take but a week to overrun Japan, at its present level of defense, contends Hyuga—hardly enough time for allies to come to its aid.

Even Western Europe may have to take on more of its own defense burden. A Pentagon study by Adm. Henry Train and former Deputy Defense Sec. Robert Ellsworth suggests that America's long-term strategy should aim for "an autonomous European defense and deterrent capability." Or, as columnist Jack Anderson summed it up, "our best bet would be to force Western Europe to fend for itself, instead of depending on Uncle Sam's protective umbrella." Train and Ellsworth argue that decades of dependence have significantly weakened European capabilities and willingness. The withdrawal of all but a "small US force," coupled with a promise of quick military backup in the event of Soviet attack, would lead to a renewal of Europe's own commitment to defense—not to mention major savings for long-suffering US taxpayers.

Property Rights Versus Conservation

Sen. Alan Cranston (D-Calif.) and photographer Ansel Adams are finding little support for their advocacy of large-scale federal involvement to "protect" California's Big Sur from development, a sign of the growing disillusionment with federal "solutions." Cranston is plugging enactment of his bill to authorize $100 million for the purchase of a 700,000-acre Big Sur Coast National Scenic Area to be supervised by the US Forest Service. Sen. S.I. Hayakawa (R-Calif.) and local Monterey County officials have criticized the action, calling the protection of Big Sur a local responsibility. Besides, the inimitable Hayakawa added, "They wouldn't have a McDonald's within 500 miles," referring to the "hippies" who live there.

One property owner who is definitely not a hippie and who is being burned by state and regional red tape is Viktoria Consiglio, who bought a two-acre parcel with her husband four years ago and has since been unable to build on or sell the lot (she has, of course, been allowed to pay taxes on the property). The Consiglios made the down payment on the $67,000 property in 1976 and planned to do most of the carpentry and wiring on their dream home themselves.

In 1978 they hit the first bureaucratic snag: the Monterey County Planning Commission denied them a building permit because the home might obstruct the view of passing motorists. Consiglio won her appeal to the County Board of Supervisors, but the regional Coastal Commission authority voted seven in favor and six against the Consiglios at a time when the required majority was of the entire 16-member commission. It has since been changed to approval by a majority of members *present*, which must have the Consiglios gritting their teeth. And then,

in January 1980, the state Coastal Commission refused to hear her appeal.

Why are the Consiglios being denied a permit to build a home on their property? Well, the regional commission says the house would "seriously compromise" the view; it would block "potential shoreline access opportunities"; and the home would not be "subordinate to the character of its setting." Viktoria Consiglio is dismayed that her rights could be so seriously tampered with in a country that, as her father told her when they left Germany in 1956, "has the best Constitution in the world." She says she will surround her home with cypress trees to screen it from the view of motorists who choose to look downward rather than straight at the ocean, and she will even grant the public access through her property.

But Consiglio's chances are slim when the Monterey County Superior Court hears her case. In the meantime, she has not been able to sell the property since it cannot be built on, and the state has not responded to her offer to sell it for use as a recreational preserve. The State has decided it likes the view from the Consiglio's property—but not enough to buy the property to keep as a wilderness area. The Consiglios are stuck with that job now.

And, as if to further taunt the Consiglios, the owner of an adjacent two-acre parcel has received permission to build a home. It's just that much less visible from the road to please the commissioners.

Is Animal Testing Relevant?

A recent *Science* article (Apr. 18) has called into question the human relevance of animal test data on carcinogens, as well as the no-risk policy of the Delaney clause on food additives.

Written by Gio Batta Gori, who recently resigned the post of deputy director, Division of Cancer Cause and Prevention, of the government's National Cancer Institute, the paper cites especially the "deliberate bias" built into animal experiments designed *not* to assess real-life human risk but only to study carcinogenesis and its possible mechanisms. With the *latter* as the goal, "positive" results—finding that something is carcinogenic—are more "fruitful" than negative ones—not showing harm. And as others have suggested, they are also more dramatic and more publishable.

The bias cited by Gori is evident in many ways. Only species that are most susceptible to tumors and cancer are selected. Gori argues that commonly used mice are from 30,000 to one billion times more cancer-prone than humans. Routes of administering the chemical are selected for their "convenience" rather than for their relationship to real-life metabolic processing.

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Nearly toxic "maximum tolerated" doses are used even though they "cause metabolic overloads that may unpredictably promote or retard a carcinogenic process, with outcomes that differ from species to species," and are "likely to derange normal homeostatis and create physiologic conditions with no real-life counterpart."

While some may regard this "deliberate bias" merely as prudence, Gori maintains that the results obtained have validity only for that experiment and are *not* generalizable to humans. He also notes that it is "impossible to prove safety beyond doubt." His answer to this, however, is *not* to ban "potential" carcinogens, since—to put doomsayers like Samuel S. Epstein in perspective—*age-adjusted* cancer rates are generally remaining the same or even decreasing. Rather, he argues that the "zero tolerance policy" of the Delaney clause either "ignores" or precludes from consideration many examples of "no-effect thresholds," so that this policy should be replaced by a "risks-benefits analysis" for each compound or class of compounds. Under the latter policy, scientists would no longer be "forced to produce clear-cut statements that, however convenient for the regulator, may not have scientific justification." Regulation could then be directed at improving "the quality of life for the living, not merely to extend life expectancy."

Senate Cuts Truck Regs

By a vote of 70-20 the US Senate has passed Sen. Howard Cannon's (D-Nev.) bill to partially deregulate trucking. It eases restraints on entry and on expansion of service, gives new freedom to raise or lower rates without approval by the Interstate Commerce Commission, and ends much of the industry's antitrust protection for collusive rate setting. Industry lobbyists attempted to water down the bill, but to no avail.

Even before the Senate action, the American Trucking Associations and their member firms had begun to see the handwriting on the wall. *Business Week* (Mar. 24) reported that "many trucking companies are quietly positioning themselves so that they can leap from the starting gate if Congress throws the industry open to competition." Although no major trucking firm has publicly supported deregulation, companies known to be doing strategic planning on pricing and route acquisition include Consolidated Freightways, Yellow Freight System, Roadway Express, and Delta California Industries. In addition, a number of nontransportation firms that have purchased trucking companies—such as ARA Services and Pepsico—don't share the traditional truck industry hostility to competition. These firms are likely to welcome a deregulated environment.

Thus, truck deregulation is beginning to resemble airline deregulation. As D-Day actually approaches, status quo rhetoric is starting to give way to realistic planning for the new opportunities ahead.

Income Tax Suspended

The Alaska legislature has voted to suspend indefinitely its personal income tax for residents who have lived in the state for more than three years since statehood in 1959. Aside from that, it has also voted to refund one-half of 1979 income taxes, and to adopt a law that requires the state to pay dividends to all residents from its Permanent Fund. (The Permanent Fund was set up in 1976 to hold the state's oil royalty money, which will exceed $5 billion in mid-1981.)

The suspension of the income tax was an issue created almost single-handedly by Alaskan Libertarian representative Dick Randolph. Randolph sponsored an initiative to repeal the income tax (it will still be on the November ballot) and followed up by introducing a "radical" measure into the House to eliminate income taxes. Popularity and media exposure—resulting both from Randolph's own iconoclastic style and from the withdrawal of Alaska Governor Jay Hammond from a proposed debate between them—subsequently forced the legislature to take up the issue.

The present measure is a compromise that does not satisfy Randolph. He is challenging the "discriminatory" nature of the bill (since it taxes residents who have not lived in the state for more than three years at a gradually decreasing rate) and the fact that it does not remove the tax laws from the books.

Meanwhile, Alaskans will get not only their 1979 refunds but an additional $50 oil dividend for each year they have lived in the state since 1959. Thus, a 10-year resident will receive $500 this year, $550 next year, and so on for the next four years, after which the $50 base dividend may be changed. Reports in the *Los Angeles Times* and *Wall Street Journal* point to an increased base dividend because of the Fund's growing earnings. Each of the state's estimated 400,000 residents will have at his or her disposal this year an extra $2,000 on the average from the tax refunds and oil-wealth plan.

Nationalizing Charity

There is no easy answer to sticky questions concerning who would care for the truly needy and handicapped if government welfare programs were repealed. But one could always point to the billions of dollars donated through private philanthropy as proof that charity need not be legislated. In 1978, total contributions hit a level of almost $40 billion, despite inflation and tight budgets.

That bounty is diminishing, a new study warns, and is gradually being replaced by government aid. Dr. Stuart Butler of the Heritage Foundation points out that changes in US tax laws since 1969 as well as new regulations governing foundations and inhibiting private charity are paving the way for government to sneak in through the back door. When adjustments are made for inflation since 1960, Dr. Butler observes, what seems to be a trend for increased charity is misleading. "Between 1960 and 1970 total real giving increased by 64 percent," he says. "In the eight years between 1970 and 1978, however, real giving increased by only 20 percent, despite the 106 percent rise when measured in current dollars."

Despite the tax inhibitions, public opinion polls show that people still believe in private charity. A Sindlinger survey commissioned for the study revealed that 7 out of 10 of those polled think that private organizations do a better job than government at providing charitable services, including welfare; 7 out of 10 also feel that the private sector, not government, should provide these services.

Butler further notes that tax laws make it more difficult for lower-income persons to donate to private charity, leaving tax incentives to those with higher incomes. This incentive is then criticized as a "tax loophole for the rich" and used as a rationale for further replacing voluntary support with state aid.

The study was published jointly by the Heritage Foundation and the Institute for Research on the Economics of Taxation.

Thinking about Gun Control

While it may seem at first glance that to be pro-gun control is to be anti-violence, recent trends are showing that this piece of popular wisdom is being eyed with increasing skepticism. A 1979 Decision Making Information poll showed 88 percent of the respondents agreeing that they had a constitutional right to keep and bear arms. An earlier (1978) DMI poll found that when asked "What is the best way to deal with the problem of violent crime?" only one percent of those polled mentioned gun control. A Gallup poll asking a similarly open-ended question—"What do you think is responsible for the increase in the crime rate?"—came up with not one single mention of firearms.

Furthermore, a glance at the results of Gallup polls over the past 20 years shows that an increasing number of Americans oppose the restriction of gun ownership. In 1959, 59 percent favored gun confiscation and 35 percent were opposed. By 1975, however, the number opposed had grown

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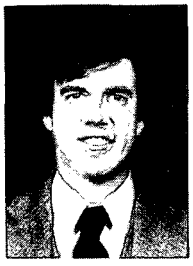

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He founded the Tucson Libertarian Supper Club, worked with the MacBride for President campaign, and served as advisor to 12 Libertarian campaigns in Arizona, Nevada and California.

When he ran as Libertarian candidate for Congress against Arizona's Morris Udall, Michael received 5,000 votes on a bare-bones budget of $1,000.

As speechwriter and ghostwriter for 26 political candidates, Michael has written 109 articles and speeches. His provocative essays

in libertarian movement publications ("How to Get Converts Left and Right" in *Reason* and "The Late Great, Libertarian Macho Flash" in *Frontlines*) have stirred a storm of controversy and become underground best-sellers.

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to 55 percent, and the latest (1980) poll has 65 percent opposed to banning handguns.

But this same Gallup poll also has 59 percent of those surveyed in favor of stricter gun control. How does one explain the discrepancy? The Second Amendment Foundation criticizes the Gallup survey for asking questions designed to elicit anti-gun sentiment, such as "Do you favor stricter gun control?" The SAF says this method "assumes that the respondent knows what laws are presently in existence...[and] are inclined to think that such laws are directed against criminals, never stopping to consider the likelihood that criminals will neither register nor turn in their handguns."

To back this up, the SAF has released a study on Massachusetts's mandatory sentencing law (the Bartley-Fox Act) which requires a year in prison for carrying a firearm without a license. The study by SAF Research Director Bill Garrison notes that the Massachusetts homicide rate has not decreased significantly since the law went into effect five years ago; in fact, "for the first three quarters of 1979, the six Massachusetts cities with over 100,000 population experienced an increase in the rate of homicide which was twice the national average," according to FBI statistics.

Garrison adds that the number of defendants convicted of illegally carrying a firearm has actually decreased since Bartley-Fox, with plea bargaining continuing at its former rate. In addition, out of 12,000 robberies and 4,000 aggravated assaults involving firearms, a mere 120 of the defendants in those cases were imprisoned under the terms of Bartley-Fox.

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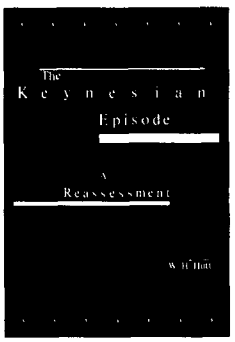

The Keynesian Episode

By W. H. Hutt

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Born in 1899, W. H. Hutt graduated from the London School of Economics and based his academic career at the University of Cape Town. He is presently Distinguished Visiting Professor of Economics at the University of Dallas. Hardcover $10.00, Paperback $4.50.

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Antigovernment Zeitgeist

Five different sources on the prevalent mood of the American people indicate a leaning toward more libertarian ideas today than in the recent past. The common denominators are taxes and intrusive government.

A poll conducted by Opinion Research, Inc., for the Ed Clark for President campaign of 1,200 persons between the ages of 18 and 40 had these results:

- 71 percent believe Social Security is not financially sound,
- 69 percent favor a constitutional amendment to balance the federal budget,
- 63 percent favor educational tax credits,
- 69 percent consider military spending on the defense of other nations excessive,
- 57 percent are against US involvement in the affairs of other nations, and
- 8 percent would support Clark versus Carter or Reagan.

A second poll commissioned by Union Carbide Corporation and done by Roger Seasonwein Associates on 2,000 respondents showed that:

- 80 percent endorse economic growth as beneficial despite added pollution, taxes, or price hikes,
- 56 percent consider increased union power harmful,
- 45 percent consider increased corporate power harmful,
- 54 percent consider increased government power harmful, and
- 86 percent favor tax cuts for business if half of the reduction would go toward jobs, while 51 percent favor tax cuts unconditionally.

Meanwhile, a Harvard conference of 150 experts in business and taxes recommended tax-reduction legislation in 1981, with accelerated depreciation as the number-one priority. This would allow businesses to deduct from taxable income more of the cost of new plants and equipment. A poll commissioned by one of the cosponsors of the conference, New York Stock Exchange, and conducted by Garth & Associates found that 66 percent of the respondents were more likely to vote for a candidate favoring less government interference in business and 51 percent would vote for a candidate advocating business tax incentives.

Lastly, a current *Wall Street Journal* series on the federal income tax observed that 7 out of 10 Americans today believe that the income tax is too high, compared to 5 out of 10 two decades ago. The article attributed this decline to two main developments: inflation and lagging investment.

Legislating Equality

The Equal Employment Opportunity Commission, created to enforce the equal-pay-for-equal-work mandate of Title VII of the Civil Rights Act, is attempting to legislate sex discrimination out of existence, this time through an equal-pay-for-work-of-comparable-value doctrine. The theory seems to be that equal pay for equal work doesn't go far enough, because some occupations are primarily staffed by women and are therefore lower paid as a whole. So the idea now is to mandate that equal wages be paid for jobs requiring similar levels of skill, training, effort, and responsibility—for example, secretary and electrician.

Although the facts show that this is true (on the average, women earn two-thirds of what men earn), most proponents of the doctrine fail to recognize the complex market forces that determine wage rates. This is the problem that Prof. Cotton Mather Lindsay addresses in his paper, "Equal Pay for Comparable Work," published by the Law and Economics Center of the University of Miami. Basically, Lindsay upholds the validity of basing expectations on sex: women in the past have proven to be less reliable workers in terms of continuity because of childbirth, greater responsibility for the home and children, and transfers due to a husband's job relocation. Because of socialization, he adds, women have been less willing to invest time and money in developing nondomestic skills, thus lowering their market productivity and crowding them into less-prestigious occupations.

With more women moving out of such lower-paying jobs due to discontent and a more career-oriented lifestyle, Lindsay contends that forcing up the wages in the traditionally lower-paying jobs would make them even more attractive to women workers and thus retard the current exodus of women into male-dominated fields.

Heredity vs. Environment

The long-standing controversy over the relative influences of heredity and environment on human development has entered a new phase. An extensive new study of identical twins raised separately sheds new light on the strong influence of genetic heritage.

The study, begun in 1979, is the most exhaustive to date, utilizing the services of five doctors (three psychologists, one psychiatrist, and a behavioral geneticist) as well as outside professionals to guard against a bias toward certain conclusions. Although several fraternal twins are being used as controls, the main emphasis is on pairs of identical twins who were separated at birth and brought up in different en-

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vironments. Nine pairs have been studied thus far, with eleven more already located. The study asks 15,000 questions over the week-long examination, as well as giving physical and psychophysiological tests.

Psychologist David Lykken, one of the doctors involved in the study, says that there are traits that may be inevitable given certain gene combinations—and since identical twins share the same gene combination, even traits other than native intelligence show up in both. While intelligence (IQ) still shows the highest correlation between identical twins separately reared, the scores of such twins on most psychological and ability tests are "closer than would be expected for the same person taking the test twice," *Science* magazine reports in an article on the study (March 21). Some of the similarities were the recurrence of the same names in the lives of the twins (spouses, children, pets), almost identical taste in terms of lifestyle, clothing, and amount of jewelry in some cases, and closely related medical histories.

The strong evidence surfacing from this study on the influence of heredity should help squelch some of the outrage directed at Robert Graham's sperm bank for Nobel Laureates. Graham has come under heavy attack from the media for suggesting that intelligence could have a genetic basis. Most of the protest is from egalitarians who cannot stomach the idea that people are simply born different. So far, five sets of parents and offspring have been awarded the Nobel prize, though this has been attributed to the presumably illuminating presence of the Nobel-winning parent.

Drugs Here to Stay, Report Says

The privately funded Drug Abuse Council has released a national report stating that more Americans than ever are using drugs and the trend is not likely to let up in the near future. The report criticizes drug laws and law enforcement agencies for their unrealistic expectations about the use of law to eliminate drug use, saying that, for example, "Beyond a doubt... use of criminal law to deter marijuana use results in more harm to society than is warranted by present knowledge regarding its potential harm with moderate use." One obvious harm is the $6 billion in federal funds that has been spent since 1971 to control drug use, to no avail.

The council noted that the "failure to distinguish between recreational drug use and harmful misuse" has been a serious mistake, pointing out that although from 2 to 4 million people use heroin casually, inflated government statistics themselves confess to only 500,000 to 600,000 drug addicts. Marijuana, which is still illegal, has been used at least once by 50 million Americans, with an estimated 16 million current users.

The report concludes with the idea that "treatment for drug dependence should be available chiefly because people need help, not as a behavior or crime control measure." In other words, if drug users do not commit crimes other than perhaps harming themselves with the drugs, the law has no business interfering to enforce "social objectives such as reducing crime, increasing employment, or restoring family cohesion."

One law enforcement officer who has taken this message seriously is John McHale, Jr.—the new police chief in Prince George's County, Maryland—who has publicly stated that he supports the legalization of marijuana, much to his colleagues' dismay. McHale argues that laws against marijuana have caused more problems than they have solved. "Who takes [the law] seriously now?" he asks. "We've got 35 million people out there smoking marijuana." He adds that "there are a lot worse things in life than marijuana, and alcohol is just as bad." McHale's statements have shocked the county's police union officials (though some of the officers themselves have expressed support), the state attorney, the city council members who voted to hire him, and assorted politicians who would rather "solve" the problem than admit it really doesn't exist.

Options Ahead For TV Consumers

By 1981, television viewers may have the option of sticking to regular VHF and UHF transmission (the current major networks and public television) or using cable and satellite-to-home pay-TV transmission. Confusing as this variety may be, it promises a wider range of programming and the demise of major network-controlled news and shows based on the lowest common denominator in public taste.

Moreover, Frank Mankiewicz, president of National Public Radio, predicts that the growth of cable-TV spells doom for public television. "Congress ought to think about phasing it out," he said. "There's no reason to think that a smart cable operator won't pick up 'Masterpiece Theatre' or 'Live from Lincoln Center' if that's what some people want."

At the same time, the rapid expansion of satellite-to-home ventures may mean the end of movie theatres as we know them—or at least a boom in the output of filmed entertainment. While the proposed contract between Comsat and Sears, Roebuck & Co. (Trends, Apr.) has fallen through, the television industry is rocking from an announced deal between Getty Oil and four motion picture companies to form an all-movie network next June, using satellite transmission to cable-TV stations. The movie companies are Columbia Pictures; MCA, Inc.; Paramount Pictures; and Twentieth Century-Fox Film Corporation. Getty presently operates an all-sports cable network, ESPN.

The movies made by the four movie companies will not be made available to any other satellite-fed pay network for nine months following their appearance on the proposed network, a plan that has the dominant pay-cable-TV wholesaler, Home Box Office, extremely irate. HBO is rashly appealing to the antitrust division of the Justice Department to do *something* about its potential competitor, charging that the venture is "illegal." HBO itself services 63 percent of the 6 million pay-TV subscribers in the United States. One entertainment industry analyst for Paine Webber, Lee Isgur, commented that the venture may simply be self-defense on the part of the movie companies. "They felt that by letting HBO go without any competition, HBO could set its own prices" and make the profits the movie companies feel they, too, deserve.

School Privatization

A California company is carving out a new role for the private sector in elementary and secondary education. The firm, American Learning Corporation, began by operating specialized centers for problem readers and has branched out into summer school classes. Both types of program are paid for only by their customers—no tax money is involved.

The summer school operations began last year. After passage of Proposition 13 in 1978, California public schools virtually eliminated their summer school operations. To fill the demand, a variety of private groups, community agencies, and a few universities rented public school classrooms to operate tuition-charging summer classes. But in 1979 many eyebrows were raised when American Learning became the first for-profit company to rent classrooms for summer schools. Although ALC had contracts in 25 elementary schools last year, it was frozen out of the Los Angeles school system (largest in the state) on grounds that it was "inappropriate" to lease space to a for-profit firm. But in March the Los Angeles School Board reversed this policy, after Deputy County Counsel Steven J. Carnevale advised the board that its position was probably unconstitutional.

ALC's reading improvement centers were started two years ago in Huntington Beach. Each center is called The Reading Game and offers individualized instruction for problem readers; the center's reading specialists have access to $9,000 worth of specially designed reading materials and aids, making use of both technology and psychology. In order to make

Let's begin to

LEGALIZE FREEDOM

JULY 3rd

DECRIMINALIZATION DAY IS COMING!

With the entire nation preparing for the legal holiday of Independence Day July 4th, Decriminalization Day activities provide an exciting counterpoint to monotonous, frivilous, and even militaristic ceremonies. The media have responded well in the past to this thoughtful and provocative pre-4th reminder that freedom is on the decline and needs more than flags and firecrackers to rejuvinate it.

Uniquely libertarian, Decriminalization Day attracts liberal media with its array of 'victimless crime' topics, but repels Ralph Nader Big-business Day types with its intense protestations on behalf of America's most numerous 'victimless criminals' - the small businessmen and their customers.

If you're a taxpayer being punatively fined for the 'crime' of productivity, a woman harassed by officials for selling your body to willing customers, a youth outraged at the time you serve in 'concentration' camps (schools) and forced labor camps (military), a peaceful citizen sent to the 'back of the public bus' by no-smoking rules, or sent to prison for smoking hallucenogenic tobaccos in the privacy of your own home - if you believe in the right of consenting adults to commit capitalist acts, you should participate in Decriminalization Day!

Let's look for and discuss openly the shortcomings of a government that steals from Peter to pay Paul. Let's talk about the implications of enslaving our youth to defend the older folk from foreigners. Let's talk about what counterfeiting money in volume does to an economy. Let's see if we can unravel the question of what most causes crime - Saturday Night Specials or the Minimum Wage Laws?

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money, the Reading Game must offer good enough results to keep parents paying the $15-per-hour price. Judging from the firm's growth rate, they appear to be doing just that. ALC expects its revenues to increase by 66 percent this year. It has 12 centers in operation in California and is in the process of opening five more. It plans to go nationwide next year, aiming for 50 centers and including such locations as Boston, New York, Philadelphia, Washington, and Dallas. Given the quality of public schools generally, ALC would seem to have a huge potential market.

Private Broadcasting Proliferates

The urge to broadcast alternative news and music and to meet consumer needs seems to be just too powerful to keep down, even in countries like Ireland and Italy, which have state-supported stations.

Ireland's private radio stations are actually outlawed by the Department of Posts and Telegraphs. There is a national radio and television network, RTE, that is supposed to provide all the broadcasting service anyone could ever want, but the pirate stations just keep proliferating. At least five pirate stations operate in Dublin, and an estimated 20 more around Ireland, openly defying the law because of high advertiser and community support. The maximum fine is presently 50 pounds for the first offense, but a proposed measure now in Parliament would levy a 10,000-pound fine and/or two years' imprisonment for illegal broadcasting. Some predict that the government will soon hand out broadcast licenses to a favored few to defuse deregulation sentiments — and fine the rest.

Unlike Ireland, Italy's private stations are not illegal, although they face the state-run Radiotelevisione Italiana (RAI). Legal restrictions on broadcasting were lifted by court decision between 1974 and 1976, leaving the field open to competition. A report in the *Economist* (Mar. 15) estimates 2,000-3,000 private radio stations in Italy, which collectively claim half the total listening audience. Private television stations also abound, with an estimated 676 in 1978. The article says that perhaps 300 of these offer regular services and account for a third of the national audience.

Milestones

• *IRS Insurance.* Home-delivery subscribers to the *Las Vegas Sun* who are up for IRS audit are entitled, along with their newspapers, to two hours of legal counsel, the aid of a lawyer, and a reporter with a tape recorder. About 20 readers a week take advantage of the service, the brainchild of *Sun* publisher Hank Greenspun, who has tangled with the IRS himself.

• *Safety Inspections Unsafe.* Mandatory state auto safety inspections actually *reduce* safety by making drivers think their cars are safer than they really are, claims economist Mark Crain of Virginia Polytechnic Institute's Public Choice Center. Crain estimates that the annual cost of these inspections is $200 million in resources diverted into obtaining inspection licenses. While 23 states do not have mandatory inspection, there is some lobbying for *federal* inspection.

• *Stripping off the Armor.* Local governments do not enjoy immunity from civil rights lawsuits under any circumstances, the Supreme Court ruled, saying this "should create an incentive for officials who may harbor doubts about the lawfulness of their intended actions to err on the side of protecting citizens' constitutional rights."

• *It Pays to Advertise.* Law firms receive an average of $7.93 in fees for each dollar spent on ads, a National Resource Center survey shows.

• *Free Trade Haven.* Singapore has decided to emulate its neighbor, Hong Kong, and become nearly a free port by eliminating all tariffs and removing taxes and restrictions hampering the finance industry there. Trade Minister Gok Chok Tong has also promised to reduce personal taxes by an average of 16.1 percent within the next three years.

• *REASON Story in Real Life.* Britain's finance minister Sir Geoffrey Howe has announced the creation of "free enterprise zones," the subject of a REASON article (Apr.), out of 500-acre zones in selected urban areas. Incentives to industrialists are exemption from local taxes, simple development permission procedures, the elimination of development land taxes, and freedom from various bureaucratic controls. Howe estimates that the zones will be in operation by the year's end.

• *Scientific Moratorium.* Another group of scientists has pledged to boycott professional cooperation with the Soviet scientific community, this time from May 12 to November 11, 1980. Scientists for Orlov and Shcharansky, a group formed last year to protest Soviet treatment of the two scientists, has added Andrei Sakharov's exile to its protest; it announced that last year more than 2,400 American scientists, as well as nearly 1,000 French and Australian scientists (Trends, May), pledged to restrict their activities with the Soviets.

• *None to Share.* The House has voted 225-192 to kill the federal government's program of "revenue sharing" with state governments. Rep. Robert Gaimo (D-Conn.) argued that the government is being asked to share revenue it does not have. The decision will save taxpayers $1.7 billion next year. Unaffected by the move is the far larger program of revenue sharing with local governments.

• *Fire Department Fired.* Georgia Rural/Metro has lost the contract to provide fire service to Hall County, Georgia. Despite cost savings and good service, political considerations led to the second-year contract being awarded to a competitor, Fire Suppression Management Consultants, Inc. Rural/Metro president Lou Witzeman commented that the concept of private fire protection "may be more important than any individual firm involved—and the concept lived even if we didn't."

• *Genetic Engineering.* A microorganism with the built-in ability to produce the hormone thymosin has been created by Genentech, Inc., in South San Francisco. Thymosin helps stimulate the body's immunity system and could be useful to cancer patients whose natural immunities have been weakened by chemotherapy.

• *Laetrile Persecution.* A California doctor sentenced to six months' imprisonment for conspiring to make Laetrile available to cancer patients was released March 21, two months before his sentence was up. Dr. James R. Privitera told a press conference he would work to legalize Laetrile. His parole specifically forbids him from treating patients with Laetrile or helping them obtain the drug.

• *Medical Freedom.* GOP frontrunner Ronald Reagan has told the National Health Federation that he is in favor of both (1) repealing the 1962 amendments to the Food and Drug Act (which require that drug firms prove the *efficacy*, not just the safety, of new drugs and which economists think have markedly cut back on drug innovation) and (2) permitting freedom of choice in therapy, obviously applicable to unproven treatments like Laetrile.

• *Rail Progress.* By an overwhelming vote of 91 to 4, the Senate voted in April to pass a bill that allows railroads to raise rates and increase profit margins to cover increased costs. The bill—a step toward railroad deregulation—was sponsored by Senate Commerce Committee chairman Howard Cannon (D-Nev.).

• *The Joy of Indexing.* Taxpayers in five states this year—Arizona, California, Colorado, Iowa, and Minnesota—saved a total of about $500 million because of the passage of tax-indexing laws in those states. Income-tax-indexing laws adjust tax brackets proportionately with inflation, thus leaving taxpayers with more of their higher income in their pockets. Most of the laws don't completely offset inflation—in Colorado, for example, tax brackets were adjusted 7 percent, half of the 13.3 percent rise in the Consumer Price Index—but may help harried consumers cope.

—Robert Poole, Jr., and Christine Dorffi

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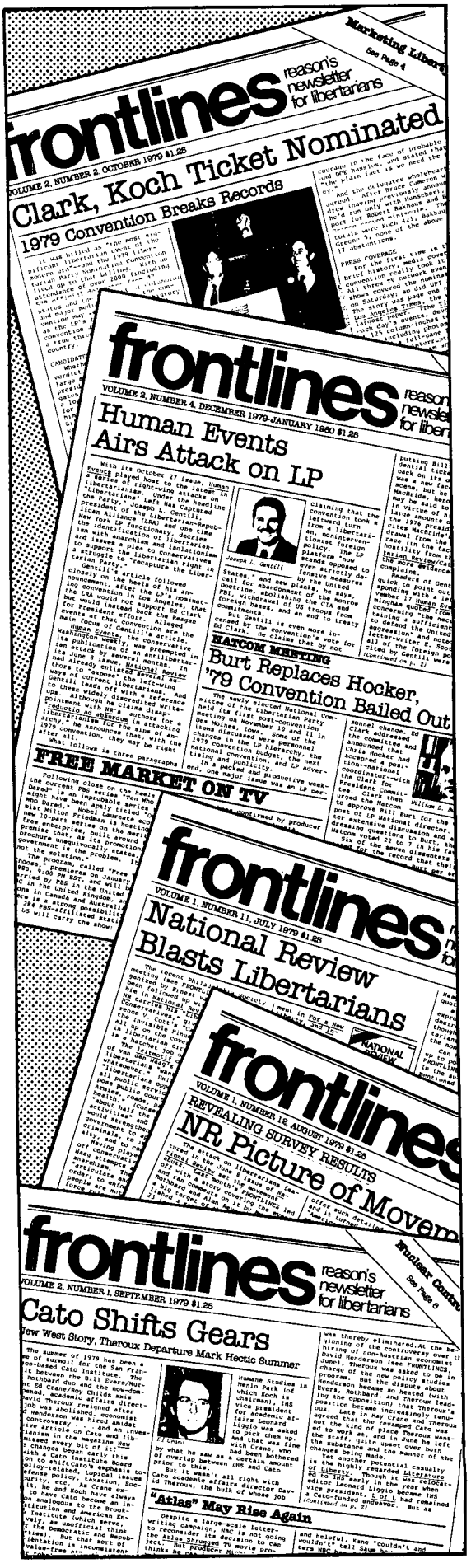
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While the feds continue to spend billions on money-losing subways and bus lines, these

ALTERNATIVE

BY ROBERT W. POOLE, JR.

TRANSIT, WE ARE TOLD, is a classic example of a public good—something that must be provided by government, paid for by taxation, and put up with by all of us. The private sector has failed, we are told, and that's why government had to step in, taking over failing bus lines and subways. Moreover, now that energy costs have quadrupled, mass-transit systems are essential energy conservers, even if they do cost taxpayers a bundle.

The only problem with this set of propositions is that every last one of them is false. And besides serving to justify wasteful government transit boondoggles, they frequently obscure the *real* solutions to urban transportation needs—the diverse, flexible, private forms of transit that are springing up around the country *despite* their massively subsidized public competition.

The annual deficit of the public transit system is one of the fastest-growing items in many city budgets. From 1971 to 1976 transit deficits increased over 800 percent. During this period the cost of providing transit service increased at more than twice the rate of inflation, while transit farebox revenues increased at only half the rate of inflation. In the early 1970s, farebox revenues paid for a bit over 90 percent of operating costs; by 1979, however, revenues were paying only 48 percent. Of the 1979 deficit, about half was made up by local taxes, the balance by federal and state taxes.

Except in a handful of large cities that operate rail lines, mass transit usually means a bus system. Typically, it is the remains of one or more formerly private bus companies that went bankrupt and were consolidated by the city, the county, or a multijurisdictional transit district.

Most of the bankruptcies and takeovers occurred during the 1950s and '60s. During those postwar decades our metropolitan areas underwent a profound transformation. Vast acreage surrounding the central cities was converted to tracts of single-family houses, and automobile ownership soared. These demographic changes spelled economic doom for conventional fixed-route transit systems. The dispersion of homes greatly reduced the ability of a limited number of routes to serve the potential customers. And the proliferation of cars—aided by the cities' construction of expressways and freeways—meant that many fewer people needed to ride the bus.

Bus company managements responded to these changes in a rather simplistic fashion. They clung to their fixed routes and attempted to cover rising costs by increasing fares rather than devising new forms of service tailored to the changed market condition. Since transit demand is relatively sensitive to price, this only served to drive away even more passengers, leading to bankruptcies.

Political pressure induced many local governments to take over failing bus companies, on the grounds that lower-income people had to have *some* form of public transportation. The passage of the Urban Mass Transportation Act of 1964 provided large amounts of federal money to assist cities in buying the failing companies. Originally it was contended that such takeovers would solve the financial problems because (1) the lines would no longer have to pay taxes and (2) they would no longer have to make a profit. It was even thought that the systems would somehow be able to expand and increase ridership, thereby operating more efficiently.

But none of these fond hopes was realized. The real needs of riders have gone unmet. In most cases service has been reduced, ridership has continued to drop, and costs—especially labor costs—have soared. (In the period 1972-78 labor costs went up 300 percent in some transit systems!) The federal government is now providing operating subsidies to the systems its original capital-equipment grants were supposed to make self-supporting.

What went wrong? Basically, it was a failure to realize that a single system of fixed-route buses or trains does not meet the needs of people living in most modern metropolitan areas. Attempts to force-fit these systems into suburbanized areas will continue to fail and will continue to drain money from the taxpayers. What's needed instead are alternatives that can respond to riders' new needs in innovative and cost-effective ways.

SORRY SUBWAYS

In the past decade, the Urban Mass Transit Administration (UMTA) has been promoting an unworkable solution to large-city transit problems: build subways. Never mind that a subway is even more of a fixed-route, den-

new forms of transit are meeting people's real needs—and doing it without subsidy.

TRANSIT

sity-dependent system than a bus line. The idea seems to be that since subways "work" in New York and Montreal and Moscow (where population density is many times that of Atlanta or Denver or Los Angeles), they should work elsewhere. Subways can be made to look modern and technological so people will be dazzled by them, and they *ought* to get people out of their cars and off the streets (hence reducing traffic congestion and air pollution—and everyone's for doing that). Ergo, we'll build subways, and hang the expense!

Unfortunately, hanging the expense is just about what one has to do. The showcase modern subways are San Francisco's BART and Washington, D.C.'s Metro. BART's construction was funded by local bonds, being paid off by a special multicounty sales-tax override. It cost over $2 billion but carries only 130,000 passengers a day. A typical BART commute from suburban Orinda to downtown San Francisco costs $6.77, including interest on the bonds and "social costs" to neighbors. Figured on a comparable basis, making the same trip in a full-size car costs only $4.49; in a subcompact, $4.05; and on the bus, only $3.21. Excluding the social costs, the average BART ride cost $4.48 in 1975/76. Since the average fare was only 72 cents, the taxpayers had to make up $3.76 for every trip—more than five times the fare.

Washington's new Metro is subsidized even more heavily. When completed, the 100-mile system is now expected to cost $7 billion—that's $70 million for every mile of track. During its first nine months of operation, with fares running from 40 cents to 55 cents, each ride received a taxpayer subsidy of $10.38—more than 20 times the fare. By 1981 the taxes paid by each household in the area to subsidize the Metro will total $1,670—enough to buy a good used car.

Besides costing taxpayers a fortune, these new rail systems neither save energy nor reduce traffic congestion. Surveys show that they attract most of their ridership away from buses. So they do very little to reduce the number of cars on the road. And by depriving buses of riders, they serve only to worsen the dismal economics of existing bus systems.

A study by the Congressional Budget Office concluded that "under typical conditions, new rapid rail systems actually waste energy rather than save it." This is because (1) construction of rail lines, especially subways, is particularly energy intensive, (2) rail system riders still drive to and from stations in low-occupancy autos, and (3) the rail systems divert riders from much more energy-efficient buses.

Despite this overwhelming evidence, UMTA is charging ahead with rail lines as the panacea for big-city transit problems. Atlanta's subway is nearing completion, and other subways are on the drawing boards for Baltimore, Buffalo, Los Angeles, and Miami. UMTA expected to spend $16.4 billion between 1979 and 1982. From what we've seen, cities should avoid this "free money" like the plague. To get stuck with a transit system whose operating costs are 5 to 20 times higher than what fares will bring in *has* to be a raw deal for the city's taxpayers—especially when there are much better solutions that cost taxpayers little or nothing.

ALTERNATIVES THAT WORK

The key to solving America's transit problems lies in devising new forms of service that respond to the actual needs of a widely dispersed population. This requires that we find out what these transportation needs are, rather than remain fixated upon moving heaven and earth to get people to use a preconceived idea of what a transit system is supposed to be.

What is needed, in short, is an economic and legal climate that encourages experimentation and risk-taking—a free market, in other words. Unfortunately, in most urban areas there is anything *but* a free market in transportation services. Typically, there is a large municipal rail and/or bus line serving a limited number of fixed routes. There are also one or several taxi companies, in most cases heavily regulated as to the number of cabs, the areas served, and the fares charged. Any efforts to begin other forms of service are usually legally thwarted. They are immediately attacked by the municipal transit line or the taxi companies as draining away passengers ("skimming the cream") and therefore contrary to the public interest.

Should an entrepreneur persist despite these obstacles, he is likely to be classed as a "common carrier" by the state public utilities commission and forced to prove (a) that he is "fit, willing, and able" to provide the proposed

service, (b) the operation is necessary for the public's convenience, and (c) the existing carriers are unable to meet the needs the entrepreneur proposes to serve. In some states he must even prove that he will not take any business away from the existing carriers—in effect, that he will *not* more adequately serve people's needs!

These laws, and the public attitudes that support them, have effectively preserved the shared monopoly of municipal bus/rail line and cartelized taxi industry in most communities. And that has left most people with no affordable alternative to the private automobile—despite mounting congestion, worsening smog, and rising fuel prices.

There *are* better ways. Here and there, despite the obstacles, private innovators have developed new forms of transportation service that respond to real needs. These new services are typically grass-roots efforts that require minimal investment and *no* tax funds. They go by the generic name *paratransit.*

Jitneys, gypsy cabs, shared-ride cabs, car pools, and van pools are among the many forms of paratransit. They vary in price, accommodations, and service levels. But they share the common characteristic of *flexibility,* which is very much in keeping with the decentralized nature of today's metropolitan areas. Until recently, they shared a more dubious distinction as well. All of these services (except for car pools in which no money changed hands) were illegal in most cities.

THE JITNEY TRADITION

Jitneys are small (usually 8- to 12-passenger) vehicles carrying passengers to various destinations, along relatively fixed routes, usually for a flat rate per passenger, but sometimes on a zone-rate fare. Jitneys are typically far less expensive than taxis, often costing little or nothing more than bus fare. Usually the jitney is owner-driven, though the driver may coordinate his operations with other drivers by belonging to an association. Jitneys arose in the 1914-18 period—the heyday of the Model T. In 1915 there were 62,000 of them, in every major American city. So successful were jitneys that they threatened to put the trolley lines out of business. Owners of the latter — generally well-connected politically — managed to have laws passed in most cities outlawing jitneys.

Elsewhere, however, jitneys often provide a major portion of a large city's transportation. Over half of all daily travelers in Caracas and Buenos Aires ride either jitneys or larger jitney-buses called *colectivos.* Smaller, more conventional jitneys play a major role in Santiago, Chile, and Lima, Peru. "Jeepneys" and free-market taxis provide 25 percent of all mass transit in Manila, 15 percent in Seoul. And in Tehran, jitneys and taxis constitute the *entire* mass-transit system.

In the United States only a few jitney services survive, and they are limited to particular areas of a few cities. In Atlantic City, 190 jitneys ply Pacific Avenue, the major thoroughfare serving hotels and restaurants on both sides of the Boardwalk. Two associations operate 117 jitneys along two routes in San Francisco: Mission Street and Third Street. The former serves the major business and commercial district, while the latter extends from the Civic Center to Hunter's Point, a black ghetto. All-black jitneys operate in Baton Rouge and Miami. Each runs between a black suburb and the downtown area. All the above are legal jitneys.

In each case, the happy result of deregulation of taxis is more service and lower fare levels.

Illegal jitneys operate in a number of cities. In Chattanooga, 85 jitneys carry some 20 million riders a year. On a typical route the fare is 35 cents, with an extra 10 cent charge for going up to three blocks off the route—a flexibility you'd never find with the city bus line. Though officially denied, an illegal jitney service has operated in the black ghetto of Chicago for many years. In New York City the mayor's taxi commission estimated in 1966 that more than a thousand legal liveries (limousines) were operating illegally as jitneys or taxis, both downtown and in black neighborhoods. A St. Louis jitney system comprising 85 vehicles served the city's black neighborhoods from 1917 until it was suddenly put out of business in 1965 by the Bi-State Transit Authority.

In all of these cases—and in many more—jitney service springs up to fill a need for transportation that cannot be met by either buses (too few routes) or taxis (too expensive). In many cases jitneys arise to serve minority areas where bus service is sparse and taxi service nearly nonexistent. In Pittsburgh illegal jitneys, which outnumber the city's legal cabs, operate between downtown and black neighborhoods to the east of the city. Some parallel the bus lines, charging the same 40 cent fare, but for a little extra they will take a passenger home. Besides supplying convenient, low-cost transportation to low-income people, jitneys also provide self-employment to the owner-drivers, with compensation in direct proportion to how hard they work. Jitneys are a perfect example of a form of transportation that fits the changing needs of its riders.

THE CAB CONNECTION

Taxis we already have, but in many cases restrictive laws are keeping them from providing the service that's needed. Studying the taxi industry several years ago, transportation economist Martin Wohl of Carnegie Mellon University reached a striking conclusion: "It is my view that changes in taxi regulation, pricing, and operation would markedly improve the availability, usage, and financial viability of cabs and probably do more than any other transportation improvement to lure commuters out of cars and increase total transit patronage." What he was talking about, in particular, was "lifting of barriers" on the number of taxicabs allowed to operate, the places they're allowed to serve, and the fares charged. The dramatic effect of regulating the extent of taxi service can be seen in the table. Cities that do not restrict the number of cabs or the number of taxi firms allowed to operate are cities with far more taxis per person.

Taxi representatives in regulated cities frequently claim that the legal number of cabs is all the market will support and that any larger number would simply spread the demand too thin for anyone to make money. This is utter nonsense, as the thriving Washington, D.C., market, with its 10.2 cabs per 1,000 people (compared with New York's 1.5 or Houston's 0.3) demonstrates. A variety of studies show that there is a large unfilled demand for taxi service in restricted cities. Poor people, homemakers, and students all use taxi service in considerable numbers—when sufficient service is available. But in restricted cit-

ies, cabs tend to concentrate on business users, serving the downtown, hotels, and the airport, and leaving residential areas greatly undersupplied.

Despite the laws, in many cities illegal gypsy cabs have sprung up to meet part of this unfilled demand. The *New York Times* has estimated the number of gypsy cabs in that city at between 4,000 and 5,000, mostly serving minority neighborhoods. Gypsy cabs cruise the streets openly in Cleveland's black Hough section and Pittsburgh's Hill district. Because they serve such a large market, gypsy cabs are often allowed to operate so long as they confine their operations to areas poorly served by licensed cabs. But because they operate outside the law, some gypsy cabbies take advantage of unwitting patrons, charging exorbitant fares under threats of violence or actually robbing them. But for many would-be cab users, it's either risk a gypsy cab or forget about taxi service.

The last few years have seen the beginning of a trend toward deregulation of taxi service. Major monopoly or near-monopoly cab companies have gone bankrupt in Los Angeles, San Diego, Philadelphia, and elsewhere, leading the first two cities to ease restrictions on entry and, in San Diego's case, to promote competitive pricing. Eugene, Oregon, deregulated taxi fares in 1978, as did Seattle. In each case, the happy result of deregulation is more service and lower fare levels.

Somewhere between conventional taxis and jitneys is the *shared-ride cab.* Like a regular taxi, this service uses a conventional sedan and provides personalized, door-to-door service. Like the jitney, however, it carries several passengers making *different* trips at the same time. Consequently, fare levels are a good deal lower than in regular taxis—although more than bus or jitney fares.

Unfortunately, most city governments—other than Washington, D.C.—ban shared-ride service. Two that don't, however, are Davenport, Iowa, and Hicksville, New York. In both cities, private cab companies provide low-cost, high-volume, shared-ride taxi service that appeals to many of the same people who ride bus lines.

In an extensive study of the Davenport and Hicksville companies, Prof. Kenneth Heathington of the University of Tennessee's Transportation Center found that their operating costs are much lower than those of the highly touted Dial-a-Ride systems funded by the federal government—systems that provide a similar kind of service but with a heavy subsidy. But the Davenport and Hicksville companies are private, profit-making concerns that don't receive a cent of tax money. They have simply found a ready market for this type of intermediate transit service.

POOLING

Transportation planners have recently discovered car pooling—a form of paratransit with significant potential for reducing congestion, air pollution, and energy use. Any large-scale use of car pooling requires that people who are otherwise strangers find each other and work out a suitable sharing arrangement. One of the smoothest ways to do this is for one person to be the driver and the others to pay to be driven. Unfortunately, in many states *any* such exchange of money is construed by the public utility commission as offering transportation service for hire—making the driver a common carrier subject to incredible regulations. The success of car pooling depends considerably on whether such absurdities of the law can be removed.

A pioneer in doing just that was Mrs. Garlene Zapitelli. Several years ago, fed up with rush-hour congestion and concerned about the energy crisis, she bought a Dodge van and began carrying fellow commuters to work, for a small fee. In short order, she was hauled before the California Public Utilities Commission and charged with operating an illegal bus line that unfairly competed with existing bus companies. Several appeals and many thousands of dollars later, the legislature voted to exempt for-hire car and van pools from state jurisdiction, provided the driver was a commuter.

With that decision, California became one of a handful of states—including Minnesota, Tennessee, Virginia, and Connecticut—to legalize car and van pooling. Commuters especially like van pooling because, compared with bus service, it offers door-to-door transportation and a semblance of privacy. And compared with driving your own car, the van offers a chance to stretch out and relax, sometimes in airliner-type seats with stereo music, at real dollar savings. A 12-passenger van, in fact, is more energy efficient than the new York subway, providing more than 110 passenger miles per gallon of gas.

The biggest growth in van pooling is occurring in the corporate arena; about 150 large corporations are now involved in such projects. The approach was originated by Robert Owens of the 3M Company in Minneapolis. Under his plan, the company provides—and insures—12-seat vans to volunteer employee drivers. The first eight passengers pay the company a monthly charge that covers all operating costs. The driver can add up to three more passengers to earn an income and can take the van home on weekends for a small mileage charge.

"The beauty of (corporate) van pooling is that everybody wins," says

TAXI SERVICE IN SELECTED CITIES, 1970

CITY	TYPE OF RESTRICTION	TAXIS IN SERVICE	TAXIS PER 1,000 POP.
New York	Number of cabs	11,722	1.5
Chicago	Number of cabs	4,600	1.4
Los Angeles	Number of firms	885	0.3
Philadelphia	Number of firms	1,480	0.8
Detroit	Number of cabs	1,310	0.9
Houston	Number of firms	473	0.3
Washington, D.C.	None	19,144	10.2
San Francisco	Number of cabs	798	1.2
Boston	Number of cabs	1,525	2.3
Phoenix	Number of firms	99	0.2
Pittsburgh	Number of firms	600	1.2
Atlanta	None	1,900	3.9
Minneapolis	Number of cabs	248	0.8
Miami	Number of cabs	431	1.0
Honolulu	None	1,400	4.3
Birmingham	Number of firms	245	0.8

Source: Sandi Rosenbloom, "Taxis and Jitneys: The Case for Deregulation," REASON, Feb. 1972, p. 9.

Owens. The company saves on parking expenses, commuters save $150-$750 per year in commuting costs, and the general public saves in terms of reduced congestion and pollution—as well as reduced demand for tax-funded mass transit systems.

SALVAGING BUSES

Bus service is not dead. Despite the changes in demand for fixed-route service, buses can play a role as part of an overall transit/paratransit system. Where buses still make sense is on heavily traveled commuter routes. And it is on these routes that bus service can pay its own way. It can even be turned back to the private sector.

Exactly that is beginning to happen in a number of metropolitan areas, with the phenomenon known as *subscription bus service.* The basic concept is simple. Employees in a large office or industrial complex who live in the same suburb band together and rent a deluxe, highway-type bus (reclining seats, air conditioning, music) from a private charter bus company. In some cases one employee obtains a bus driver's license and serves as the regular driver, perhaps with another employee as back-up. In other cases, the bus company provides the driver as part of the deal or the employer hires the bus, complete with driver.

Subscription bus service is especially prevalent in sprawling Southern California. Many large firms, especially aerospace companies, draw employees from up to 100 miles away. Lockheed Aircraft, for example, has hired buses to bring groups of employees to its plant in Palmdale where L-1011 jumbo jets are built. One bus makes the rounds of the San Fernando Valley, where many of the employees—who used to work at Lockheed's Burbank plant—still live, 50 to 75 miles from Palmdale. Another Lockheed bus comes from Ontario, racking up 172 miles each day on the round trip.

There are estimated to be several hundred private subscription buses today in Southern California. One of the largest of these operations is COM-BUS, based in Huntington Beach. It began in 1967 when some McDonnell-Douglas employees were transferred to that city from the firm's Santa Monica plant. Employee Ron Hoffman hired a bus and learned the ropes of getting Public Utilities Commission (PUC) approval. As more employees were transferred (the Santa Monica plant was being phased out), more buses were added, until COM-BUS became a service business, developing and managing commuter bus routes for employee groups at a number of Southern California firms. It conducts employee demand surveys; establishes routes and schedules; hires late-model, luxury buses with professional drivers; selects a route coordinator from among the employees for each route to collect fares and manage its operations; assures that the necessary Certificates of Convenience and Necessity are obtained from the PUC; and handles complaints and miscellaneous business matters. Essentially, COM-BUS serves as the link between a number of charter bus companies and a growing number of employee groups.

Subscription bus service manages to succeed where conventional transit fails, getting commuters into an efficient, less-polluting alternative.

Twelve subscription bus companies serve the United Airlines base at the San Francisco airport, carrying 1,295 of its 8,500 employees. All the companies complain about the onerous regulations imposed on their small firms by the state Public Utilities Commission—regulations intended for giants like Greyhound and Trailways.

Among the other successful subscription bus firms are the Colonial Transit Company of Fredericksburg, Virginia, and the Reston Express, of Reston, Virginia. Both provide commuter service between Washington, D.C., and its northern Virginia suburbs. And in the St. Louis area the Specialty Transit Company hauls mostly blue-collar workers from 14 communities to the huge McDonnell-Douglas plant.

A public agency in San Francisco—the Golden Gate Bridge, Highway, and Transportation District—is also operating a subscription bus service. Beginning in 1971, it has set up a number of "commute clubs" among white-collar workers in San Francisco who live in Marin and Sonoma counties. Each club determines the schedule and pickup points, collects dues, and makes a monthly subscription payment to the District. It, in turn, hires buses from charter bus companies via competitive bidding. As a public agency, however, the District does not charge a high enough price to fully cover the costs of the operation; taxpayers therefore end up subsidizing it—at several hundred dollars per bus per month.

Like car pools and van pools, subscription bus service succeeds where conventional transit fails. It gets commuters out of their cars and into an efficient, less-polluting alternative. A ridership survey on the Reston Express in 1971 showed that 21 percent of the passengers had actually reduced the number of automobiles they *owned* as a direct result of the subscription bus service. And another 8.4 percent said they would probably do so in the future. But its greatest advantage—except where operated by government transit districts—is that subscription bus service costs the taxpayer nothing.

A variant on subscription bus service has turned up in New York City. Some 75,000 commuters pay three times the city transit fare to ride privately owned express buses—making the 12 companies involved the joint equivalent of the fifth-largest mass transit service in the United States. The city government franchises the companies, limiting them to specific routes. Despite having to pay city, state, and federal taxes, pay for the buses themselves (no UMTA funds), and build their own depots, the private lines make money. By charging three times the regular 50 cent fare and operating on high-volume commuter runs, they can cover all their costs and still make a profit.

What attracts riders? High-quality service seems to be the key. New York Bus Line, for example, provides high-back reclining seats, individual reading lights, heating and air-conditioning that work, a seat for every rider, cleanliness, safety, and customer-oriented service—attributes similar to those of subscription buses and van pools. (The main difference between the express bus and a subscription bus is that the former makes a number of stops and accepts occasional passengers, instead of limiting itself to regular subscribers.)

Even regular metropolitan bus service *can* be made viable. A number of

cities or districts are hiring private firms to operate their bus systems. A survey by the International City Management Association found that such contracting was occurring in only 18 cities as of 1973. But by 1978, the Urban Institute estimated that about *half* of the 1,023 public transit systems were being operated by private contractors.

A HELPING (PRIVATE) HAND

There is no guarantee that contract operation will bring cost savings. If the city or district insists on maintaining service on low-density routes, refuses to permit the hiring of part-time drivers to cover peak-load periods, and keeps fares at below-cost levels, the best of private firms will still be operating a money-losing system. The more operational and cost decisions placed in the contractor's hands, the greater the likelihood of reduced costs.

There *are* examples of private contractors who save money. The ServiCar Company in 1976 was hired by San Mateo County, California, to take over the operation of 35 buses owned by several of that county's cities. Through better utilization of its (union) labor, the firm is able to achieve a cost per vehicle hour well below that of most publicly operated systems.

Fairfax, Virginia, has had a similar experience. In 1978 it opted out of its bus service arrangement with the Washington Area Metropolitan Area Transit Authority (Metrobus). Despite the city's attempts to get Metrobus to adopt cost-cutting methods and drop lightly traveled routes, the agency had remained unmoved—but announced a cost increase for 1979, from $82,600 per year to $287,000! So Fairfax turned to Gray Line to do the job for a sliding fee ranging from $46,800 to $93,500, depending on occupancy rates. Fares on the Fairfax City Express were cut from $1.20 to $1.10, saving each commuter about $50 a year.

A major cost-cutting reform is the use of part-time drivers during rush hours, instead of paying a full day's wages to all the drivers needed to cover those three or four hours. Typically, only *half* as many buses are needed at midday as at rush hour. Seattle in 1978 became the first major city to negotiate a union contract permitting part-time bus drivers. As of 1979 part-time drivers had also been accepted by the transit systems of Baltimore, Washington, Charlotte, and Los Angeles.

Another way of cutting costs is to lop off the uneconomical tail ends of bus routes that generate very few passengers. One way to do this—and still provide transportation—is to replace them with paratransit. Shared-ride cabs, for example, could serve as a "collector service," feeding into heavily traveled bus routes.

One much-touted idea for improving bus service is to attract more riders by all-weather bus shelters at many of the bus stops. A whole new industry has arisen in the last few years producing these shelters, and federal grants to install them are being urged on transit districts. But there are two, quite distinct, ways to go on bus shelters. One *costs* taxpayers a bundle; the other generates ongoing savings.

Despite the laws against it, private innovators have developed new forms of transportation that respond to real needs.

The costly way is the way promoted by federal grants. It calls for the agency (city, district, or whatever) to buy and install the shelters and maintain them. For a large-city system, such as the 2,000 shelters proposed for Houston, even with 80 percent federal funding, the initial cost to local taxpayers would still be $1.4 million (at a price of $3,500 per aluminum-and-plexiglass shelter). But that's only the beginning. Maintenance of each shelter averages $900 a year—to remove graffiti, repair broken panes, and keep them clean. For 2,000 shelters, that's $1.8 million a year—with no federal grants available. Total system cost for 10 years: $19.4 million.

But there *is* an alternative. A number of private firms are now in the business of installing, owning, and operating bus shelters. They will do the whole job at no charge—in fact, they will *pay* the transit agency for the privilege. Why? So they can sell advertising space on a portion of the shelters, just as the transit agency already does on its buses. Typically, such firms will pay 5 percent of all their ad revenues, while taking full responsibility for the shelters, including all maintenance. At $20 per shelter per month, a 2,000-shelter system would yield $480,000 per year. In other words, instead of *spending* $19.4 million over 10 years, the transit agency would be *receiving* $4.8 million. That's a considerable saving to the taxpayers.

Yet private bus shelters have turned out to be controversial in some cities. Chicago has refused to allow them on grounds that the advertising is an eyesore. Houston and Los Angeles officials reluctantly agreed to permit both public and private shelters to be built on a trial basis, to see how terrible the ads would really be.

All the while, cities like New York, Louisville, and St. Louis have accepted private shelters with equanimity. Bus-top Shelters, Inc.—the firm that pioneered the concept in New York and has installed 500 there—has representatives marketing the idea in about 25 other cities. A competitor, Transit Shelter Advertising, has signed up more than a dozen of Chicago's suburbs for its larger private shelters, each of which generates a royalty of about $40 a month to the city.

Thumbing its nose at such advertising revenue—when its own buses carry advertising—is the height of hypocrisy for a transit agency. Instead of "protecting" the public from private shelters, such agencies should be doing everything in their power to seek ways of generating revenues and cutting costs. Substituting private for public bus shelters is an excellent way to do both.

PUTTING IT ALL TOGETHER

Developing a free and responsive market in transit services is the key to ending the drain of tax money into uneconomical bus or rail networks. Frequently, however, both local and state laws and regulations are major barriers to the development of such a market. Knoxville, Tennessee's Department of Public Transportation Services (DOPTS) provides a good example of how a city can cut through such barriers. The innovative concept involves seeking and encouraging diverse forms of transportation, then helping match up riders with services.

The idea had its genesis at the University of Tennessee's Transportation Center. Dr. Frank Davis of the Center had long contended that the traditional hostility of public transit operators to competition from the pri-

(Continued on p. 44.)

BY ALLAN PARACHINI

Sic Transit Transbus

Uncle Sam builds the bus of the future — a $28 million fiasco.

Strung out along the back fence of a dusty trucking-company storage yard in Phoenix are four freakish-looking buses, the ruins of a costly government dream that didn't come true. With a fifth prototype now stored on a snowy parking lot in a small town in Ohio, they are all that remains of a nine-year attempt by the US Department of Transportation to reshape the entire face of that pedestrian part of the American lifestyle, taking the bus.

Contemplated from Washington, from where such things frequently are contemplated, the bus hulks in Arizona and Ohio have inspired such unflattering descriptive appellations as "failure," "foolish," and "fiasco." The rotting, futuristic buses teach how some government programs turn out in the real world.

As government mistakes go, the cost of Transbus—the official name for the program that built the buses as prototypes in 1972—is not great, $28 million. Compared with the B-1 bomber, the C5A transport plane, and even a computerized people mover in West Virginia on which the Transportation Department blew $125 million, that's not a lot of money. "Peanuts," in fact, was the way former Transportation Secretary Brock Adams described the cost in comparison to other government fiascos.

But the implications of the Transbus failure are more serious. They illustrate, according to Rep. Norman Mineta (D-Calif.), chairman of a House subcommittee that held little-publicized hearings on Transbus last year, "how the government should not deal with new technology."

For the first four years of the Transbus program's life, the Urban Mass Transportation Administration, an arm of the Transportation Department, told bus lines and manufacturers that they soon would not be allowed to use and build anything but Transbus. Then in 1975, while the prototypes were still being tested, one of the 13 different people who ran UMTA during the Transbus years changed his mind. And that decision in 1975 killed the program—only no one bothered to recognize it until 1979. Despite the mortal wound, Transbus continued for four more years, bleeding money.

There is no scandal here and not,

apparently, even a single crime. Said one congressional investigator: "I don't think there was any fraud. There were no hints of anything improper at any level."

It is a murky, convoluted tale. It unveils not a felony, but the system.

"BUILD A BETTER BUS"

It all started with a 1968 report by the National Academy of Engineering. Build a more reliable, faster, easier-to-board, cosmetically attractive bus, the report urged, to lure people from their cars. The message appealed to the Department of Transportation. In 1971 the agency awarded a $28-million contract to Booz, Allen Applied Research, a respected consulting firm in Bethesda, Maryland. The objective: Start from scratch and design an entirely new bus, one that would catch the eye and draw passengers but at the same time use less fuel and be easier to maintain.

It was the first time the federal government had gotten into the bus-designing business. Before Transbus, the tiny industry—fewer than 6,000 vehicles sold a year—that builds the nation's buses had developed and marketed its own models just like cars.

Because UMTA pays 80 percent of the cost of new buses for the nation's public-transit agencies, the government can set whatever bus-buying policy it wants. The time seemed right to develop a workable bus design, then require manufacturers to make it and transit lines to use it, minimizing costs and easing maintenance through more standardized parts.

From the beginning, General Motors, the nation's biggest builder, was wary. Already at work on its own new bus model, GM nonetheless accepted an $8-million contract to build three of nine prototypes of the Transbus. Two other bus makers, American Motors and Flxible, got identical contracts.

Each company would develop its own design, then Booz, Allen would test all three, drawing up composite specifications for the new bus to include the best features of each. Floors would be lower—22 inches instead of 34—to make it easier to get on and off. Doors would be wider to speed boarding.

No sooner were the prototypes in the building stage than Congress passed the Rehabilitation Act of 1973, requiring that handicapped persons have full access to public transit. In one move, the objective of Transbus was changed. Instead of being a new, fast, durable, maintainable vehicle, Transbus was now primarily to be something everyone could ride. Each bus would have a ramp or hydraulic wheelchair lift. But the objective proved elusive. A reliable wheelchair lift was not available.

GM, Flxible, and American Motors continued work, however. By late 1974, the three companies had delivered their prototypes. They looked markedly different. Flxible's had 12 wheels and the silhouette of a shoebox. The other two models had three axles. GM threw in a radical new turbine engine.

Booz, Allen hired subcontractors in Phoenix and Buffalo to run extensive tests on the nine prototypes. Three of them would be deliberately crashed. Meanwhile, Booz, Allen had hatched a plan. The company and the American Public Transit Association urged the government to build a test fleet of from 100 to 600 Transbuses after the prototypes were evaluated.

DUMB DECISIONS

Up to this point, there had been four secretaries and acting secretaries of Transportation and four administrators and acting administrators of UMTA. As each new cabinet officer or bureaucrat came and went, Transbus was altered.

Then in January 1975, with the prototypes less than halfway through their testing, UMTA administrator Frank C. Herringer made a startling announcement. Herringer said he wanted to start requiring the purchase of Transbus and only Transbus in the near future. But in the meantime, he said, if any manufacturer was foolish enough to go ahead with a new model, knowing that the government would not allow use of federal funds to pay for it for more than a few months, UMTA would pay the bills anyway during the interim.

Herringer, now a vice president of Transamerica Corp. in San Francisco, said in a recent interview that he figured his announcement would scuttle GM's plans for a new model to preempt Transbus. Herringer now recalls—and aides involved in his deliberations at the time agree—that he was "flabbergasted" when, within three months, GM announced it was introducing its new bus anyway.

"It just seemed like such a dumb decision," Herringer recalled. "They [GM] were pretty arrogant. They may have felt that if they went ahead and made the investment [in tooling and engineering for the new bus, called the RTS-2] that they could come back and put pressure on the federal government and run that bluff."

GM proved to be dumb like a fox.

"NOTHING TO KNOW"

Herringer vowed to be uncompromising with GM. There was one problem. The month GM announced its decision, the Transportation Department got a new secretary, William Coleman. And three months later, Herringer quit to take over as head of San Francisco's Bay Area Rapid Transit District.

The door at UMTA revolved twice more, and in came acting administrator Judith Connor and, two months later, new administrator Robert Patricelli. Patricelli had a different vision of the program. He was inclined to let GM go ahead and sell the RTS-2. By then, Flxible had gotten the message and was well along in development of its new bus, called the 870. Both vehicles became known as Advanced Design Buses, or ADBs in transit lingo.

Patricelli, in fact, encouraged GM to go ahead with its new bus, according to UMTA insiders, House investigators, and GM executives themselves. "It was the marketplace," said Edward R. Stokel, GM's director of public transportation and coach sales. "As far as they were concerned, our bus was the same old girl with a different kimono on her. Bus companies were telling us to come out with a new bus. We had to listen to them."

GM also had made its own review of the Transbus program. It saw a program in trouble, its future clouded by Herringer's decision and years of indecision that led up to it. Despite knowing the RTS-2 might not break into black ink for six years, Stokel said, GM concluded that bringing out the new model would not be a significant risk. Transbus, the automotive giant concluded, was doomed.

GM's decision produced quick allegations that it had improper access to internal government decisions before they were publicly announced. Patricelli said things were so confused in the Transbus program at the time that there was nothing for GM to have

learned. "There was no leak. There was nothing to know," he said. "There had, when GM made that move, not been any decision not to mandate Transbus."

GM, according to House investigators who looked for hanky-panky and found none, merely made a corporate and entirely legal judgment. "They knew they were GM and they thought they could force the market," said one investigator. "They could. They took the risk. It's as simple as that."

THIS IS A BETTER BUS?

While all this was going on, meanwhile, Coleman, the new Transportation secretary, went to Miami, where some of the Transbus prototypes were being tested in limited street service. "Transbus was advertised to me as a bus that would provide transit for the handicapped," recalled Coleman, now a lawyer in practice in Washington. "But when I looked at it, you could only get one wheelchair on each bus, and the lift didn't work. So I said to Herringer, 'How in the hell can you say you're solving the problem of the handicapped?' What I saw didn't do it."

While officials in Washington were taking conflicting actions regarding the future of Transbus, Booz, Allen was watching from a polite distance. The rakish buses were being evaluated in Phoenix and Buffalo and put through their paces in test service in four cities. In Phoenix, at a sophisticated test track operated by a consulting company called Dynamic Sciences, Inc., technicians measured such arcane variables as "jerk," a measure of the smoothness of acceleration, and "dwell time," or the lapsed time required for the bus to stop, load passengers, and start again.

The prototypes were doing well, according to Ronald Ross, Booz, Allen's project director for Transbus, but on the morning of May 13, 1975, the project suffered a setback. This account is based on a 1975 report by Booz, Allen:

Temperatures topped 90, and Booz, Allen decided the weather was favorable for a punishing test of the engine and transmission of one of the Flxible prototypes. Loaded down with 160-pound sandbags—to simulate the weight of passengers—and with engine-temperature monitors hooked up, the unescorted bus was taken by two technicians onto an isolated stretch of Interstate 17, 30 miles north of Phoenix.

Just after noon, at the crest of a steep hill, mechanic Gary Loring, behind the wheel, noticed that the coach started to decelerate rapidly. A popping noise was heard through the firewall. Cautiously, Loring looked in his rearview mirror. Smoke was billowing from the engine compartment. Loring steered for the shoulder. Unable to open the Transbus's radically designed hood, Loring emptied four fire extinguishers onto what he could see of the fire, then had to back away because the flames were spreading.

Within nine minutes, the fire—raging out of control—was burning into the passenger compartment, sucked through air conditioning ducts and around key components. The acrylic windows began to melt. Seat cushions burned, spewing noxious gases.

The Transbus story is a murky, convoluted tale; it unveils not a felony but the system.

Twenty-seven minutes after the fire started, the entire $2.5-million bus was in flames. Without an escort vehicle or access to a telephone, the two men could do nothing but stand on the shoulder and watch it burn. Less than 40 minutes later, there was nothing left.

Though a full load of passengers could have been evacuated before the fire spread out of the engine compartment, the fire shook the Booz, Allen staff. Clearly, the Flxible prototype had serious design problems.

"It was an unfortunate mistake, but not a tragedy," recalled Ronald Ross, Booz, Allen's project director. "We learned from it. It was valuable information."

DEBATES ON THE FLOOR

Back in Washington, it was business as usual. Plans for the 600-Transbus test fleet were quietly scrapped.

In 1976 Patricelli effectively decided to kill Transbus for good. In July of that year he issued a policy order that said, in effect, that the GM and Flxible advanced design buses would be good enough, even if they weren't Transbus. Furthermore, Patricelli said, the low Transbus floor (it was then back at 22 inches) was impractical. After February 1977, Patricelli announced, UMTA would require that new buses bought with its money meet the existing specifications for the new GMs and Flxibles. But a month before the requirement would have gone into effect, Patricelli quit.

President Carter had taken office. Coleman succeeded Patricelli as DOT Secretary, then was replaced by Brock Adams, a five-term congressman from Washington state. And after two acting administrators had warmed the UMTA chair for a total of eight months, administrator Richard Page took office.

Adams had a very different idea. He un-killed Transbus and lowered the floor again. "When I got there, you've got the prototypes out there and nobody is satisfied with them," said Adams, now an attorney in practice in Washington D.C., and Seattle.

Shortly after he took office, Adams went with Carter and then HEW Secretary Joseph A. Califano to a meeting of handicapped groups, all of which were pressing for a fully accessible bus line. Transbus, Adams recalled, seemed to be the objective of the handicapped. "I mean, people chained themselves to Joe Califano's house for days over the thing," Adams recalled.

Meanwhile, though the Transbus program was degenerating into hopeless confusion, Adams served notice in 1978 that after September 1979 only vehicles meeting the Transbus specifications would be eligible for federal funds. Taking the government at its word, a consortium of transit systems in Los Angeles (the Southern California Rapid Transit District), Miami, and Philadelphia advertised for bids for 530 Transbuses in January 1979.

A bid-opening was scheduled for May, but when the date arrived, there were no bids to be opened. American Motors had quit the bus business and GM and Flxible, citing an elaborate series of technical problems, refused to bid. "We held the party and nobody came," said Adams. "That's what happened.... That was their business! We had paid them [the manufacturers] a number of million dollars to develop a prototype and they spend damn near 10 years on it and they said they couldn't build it. At that point, I pulled in the scientific people and told them to tell me what's wrong."

The Department of Transportation hired the Mitre Corporation, a con-

sultant in McLean, Virginia, to study the Transbus fiasco. But one study wasn't enough for Adams. So he commissioned the National Research Council, an organ of the National Academy of Sciences, to make a study of the study made by Mitre.

But before the study and the study of the study could be completed, Adams himself got into hot water with President Carter because he refused to fill out "report cards" demanded on key department officials during a White House shakeup of the cabinet. Adams was canned for his insubordination in July 1979.

After two short-lived acting secretaries, Neil Goldschmidt took office. He made it clear he didn't care about Transbus. To make matters even more confusing, UMTA administrator Page had quit at about the time of the no-bid opening for Transbus, leaving UMTA in the hands of two acting administrators until Theodore Lutz took office in December 1979.

REVIEWING MEMOS

It was during May of 1979 that the House Committee on Public Works and Transportation held hearings to try to sort out what had happened. When a subcommittee set out to conduct hearings, it asked for testimony from Gary Gayton, UMTA acting administrator for about 10 days.

One of the subcommittee members asked Gayton to comment on the best way to make public transit accessible for the handicapped. The question drew this response from the government's official representative: "I have only been with UMTA about a week and a half at this point. I am reviewing a lot of memos and trying to get up-to-date on many of the technical issues. I don't think at this particular time, sir, I can fully answer that question."

The hearing was attended by an exasperated trio of transit agency administrators—Jack Gilstrap of Southern California's RTD, Peter V. Young of Philadelphia, and Ernest R. Gerlach of Miami. Gerlach was on the stand when a committee member asked what the transit agencies actually wanted. Replied Gerlach: "We need the bus equivalent of the cowhand's quarter horse that will serve him well for many years, not a Spectacular Bid that will, under tender loving care, perform outstandingly well in selected races for a few years before retiring."

Elsewhere in Washington, the Transbus study and the study of the study were nearing completion. And the inevitable had occured. The Transportation Department announced that, in the face of a dearth of manufacturers, it was indefinitely delaying the deadline for buying Transbus. GM and Flxible still had the market cornered with their $145,000 ADBs.

First Mitre Corporation, and then the National Research Council concluded that, despite scathing criticism of GM and Flxible at the House hearings and among transit lines and government agencies, the decision not to bid represented "reasonable and understandable business judgments." There was a split, however, on whether from a technical standpoint, in the aftermath of the $28 million department development program, Transbus could be built at all. Mitre said it could. The National Research Council said it could not.

It was a question never fully studied by the Transbus program: Do handicapped people really need a fully accessible bus?

A BETTER BUS? NEVER MIND

In the Congressional Budget Office, still another study was under way. In November 1979, it brought the Transbus concept full circle.

The budget office report dealt with a question never fully studied by the Transbus program, though the entire concept depended on it: Is a fully accessible bus what handicapped people really need? The budget office concluded that even equipping every bus with a wheelchair lift would eventually serve not more than seven percent of all severely disabled persons. And providing the service—taking into account the costs of lifts and maintenance—would be a staggering $38 per trip.

Providing special taxi or van service, the budget office concluded, would make transportation available to 26 percent of the handicapped at a cost of $7.62 per trip. Even buying wheelchair-bound persons private automobiles equipped with special controls would make transportation available to 316,000 more persons than Transbus and cost $477 million less in the long run.

There had been hints at the conclusions as early as the May hearings. The RTD's Gilstrap, for instance, testified that there are 6,000 transportation programs for the handicapped in the Los Angeles area but that they are not coordinated and there is no organized plan to work with the local bus system. GM's Stokel testified that 16 lift-equipped buses in Detroit, handled an average of a total of only 2.4 passengers per day. Six lift-equipped buses in Fayetteville, North Carolina, had been in service 18 months, but they had carried only one wheelchair passenger among them in the entire period.

"We had one heck of a program. But unfortunately, none of us really stay in government long enough." Drawing the conclusion was Carlos C. Villarreal, UMTA administrator from April 1969 through February 1973. By staying just under four years, Villarreal set a longevity record for time in office by an UMTA chief concerned with Transbus. He now works for a Washington consulting firm.

Representative Mineta, chairman of the House Transbus subcommittee, agreed. "This was a bad example of federal inconsistency," he said. Mineta and members of the subcommittee said they see in Transbus a lesson that government ought to learn but isn't likely to. Former Transportation Secretary Adams called Transbus ill-conceived from the beginning but said he had no choice but to try to salvage what he could when he got into office.

There remains the haunting possibility that all the government got for $28 million is five rotting prototypes in Phoenix and outside a Flxible factory in Loudonville, Ohio. The other four were burned or destroyed.

Booz, Allen's Ronald Ross wishes the Transbus dream or nightmare—whichever it is—could end. He wants the prototypes destroyed. "To me, it's like displaying a dead body too long," he said. "There's no purpose to it any more. The purpose is over, and why people hang onto them, I'm not too sure." ◻

Allan Parachini is a staff writer for the Los Angeles Times. *This article is adapted from one that appeared in the* Los Angeles Times.

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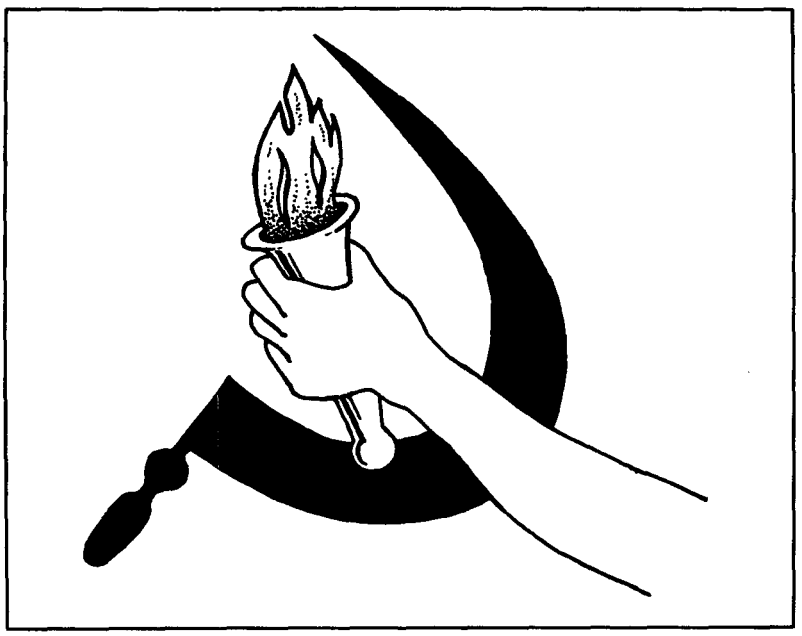
OLYMPICS ... In Any Weather?

A Soviet dissident's case for boycotting Moscow

by Alexei Orlov*



SINCE MORNING the sky had been covered with clouds. Towards noon, rain began to fall. But neither the gloomy sky nor the rain, now pouring down, now letting up, could disturb the festive mood reigning in the capital.

This mood had been felt in the capital and beyond its bounds long before the beginning of the holiday. Already foreign visitors were being met at the border with smiles. The formalities of customs were taking up only a few minutes. The streets of the main city were decorated in all possible colors, among which red—the color of the State flag—dominated. Portraits of the leaders looked down from the walls. The poster with the holiday's emblem, famous throughout the world—the five intertwined rings—adorned the windows of stores, houses, and State institutions.

Not only the capital itself was transformed; its people were, as well. Just recently the menacing keepers of the peace had bid farewell to their somber uniforms, an indispensable part of which had been a gun, and now they looked like respectable gentlemen. Well-briefed translators were ready to fulfill the foreign visitor's every request. There started to be less soldiers on the streets....

As I read these reports from Olympic Berlin, I could not get rid of the feeling that I was familiarizing myself not with what had been but with what was to come. The futuristic "Reports from the Olympics" came to mind—reports that *Soviet Sport* had been printing for a few years already. They mention the smooth running of transportation, the obliging translators, and the excellent service for visitors.

I had gone to the New York City Public Library to read the accounts of the XI Olympic games from 42 years ago. A library employee, who had not asked me for my ID nor for a permission slip from my place of work nor for my home address nor even "for what purposes?" brought me two boxes of microfilm containing the *New York Times* from the first half of August 1936. I loaded the reel, turned on the screen, and plunged into reading the newspapers. Once I must have cried out, because a young man sitting next to me leaned over and said, "Are you all right?" I indicated the screen to him. The man half stood up to read what I was pointing to. "That's history," he said indifferently.

History! The words of Dr. Goebbels did not affect him at all. "Everyone must be a host," said Herr Goebbels, addressing Berliners on the eve of the Olympics. "The future of the Reich will also depend on what feeling our visitors will leave with."

"Every Muscovite must feel himself a host. Whether or not good impressions are carried away of Moscow and our socialist motherland will depend on all of us together and each of us separately," said A. Valiakhmetov, an official in the propaganda department of the Sports Committee, at a meeting of sports journalists in 1975.

Forty-two years ago, the voice of Goebbels resounded throughout Berlin, addressing athletes of the world: "Germany is your friend! Germany seeks only peace, and only Germany has the power to enforce it!"

In July of 1962, Brezhnev, not as yet general secretary, but just president, said in Moscow at the opening of the 59th session of the International Olympic Committee (IOC): "A lasting

*Translated by Catherine A. Fitzpatrick

peace, total equality, mutual understanding and trust between States, regardless of the differences in their social systems—this is the general course of our foreign policy."

MOSCOW MAKES ITS MOVE

"NATO countries exploit sports as a weapon of their aggressive policy."

"The class struggle will find its place in international athletic ties as well."

"The propaganda of the apolitical—that sports are outside of politics—is nothing other than one of the methods imperialist circles use in ideological subversion aimed at countries of the socialist camp."

Are these quotations taken from an editorial in *Soviet Sports*? From a report by the director of the Soviet Sports Committee's propaganda department? From some sports figure's speech before a military academy audience? No, no, and no again! They are from a "scholarly work" entitled *International Athletic Cooperation*, which is recommended by the Sports Committee as a textbook for students in institutes of physical education.

And what year was the book published? During the Cold War? The Cuban Missile Crisis? The Prague Spring? Certainly not! The year was 1973, at the rosy dawn of detente. The book was published in Moscow, which was already persistently trying to be named the Olympic capital. But when in October 1974 the mayor of Moscow went to Vienna, where the IOC was to decide who would host the XXII Olympic games—Moscow or Los Angeles—he did not bring with him a work exposing NATO's subversive activity in sports. He brought a picture album of Moscow. And at a press conference after the election, he said, "Politics will have no place in the Olympic games."

Moscow received the vote of a majority of the IOC members, who saw it as the personification of reliability. Moscow is not some Denver somewhere in the out-of-the-way state of Colorado; Denver suddenly backed out of holding the Winter games in 1976—they said there wasn't enough money. And Moscow isn't some Montreal, where construction workers on the Olympic complex went on strike almost every day. The fathers of modern Olympism knew that in Moscow, the finances would be completely in order and strikes would not be expected. Premier Kosygin assured Lord Killanin, president of the IOC: "Give Moscow the Olympics, and you can sleep easy!" The IOC members, who weren't born yesterday, knew that the powerful Soviet State would not cast Moscow to the whims of fate. True, it is written in the Olympic Charter that "the honor of organizing the games is granted to the city, not to the country." But who in our enlightened age would think of such trifling details?

Moreover, there was a precedent, when not a city but a State had hosted the games. As Alexander Weyland, a historian of the Olympic movement, wrote in *The Olympic Pageant*: "With the solid support of the government nothing was left undone; attention was paid even to the most minute details." But surely the IOC would recoil at such an analogy! I would hope, that if there was ever something the IOC truly did not want, it was a replay of Berlin. And yet "the solid support of the government" and a "yes" vote for Moscow took the load off their minds.

"Brown" weather did not interfere with the holding of the XI Olympic games; "red" weather will not be a hindrance either.

You could not say that the IOC did not realize what it had done. Right after the Worldwide Universiad in Moscow in August 1973, when more than a year remained before the election in Vienna, protests were raised against granting Moscow the right to host the Olympic games. The Universiad, which had turned into an anti-Semitic free-for-all, forced one to doubt the good intentions of Moscow.

"In retrospect, that the Olympics were held in Nazi Germany in 1936 was regrettable. Let's not make another mistake," said US congressman Edward Koch (now mayor of New York City) on September 11, 1973. "Totalitarian Moscow is not a fit place for the youth of the world," said George Meany on September 13, 1973.

Neither Edward Koch nor George Meany were at the Universiad but judged it by newspaper reports. Perhaps they were mistaken? "It would be a terrible, tragic mistake to hold the 1980 Olympic games in Moscow. . . . I just hope it never comes to that," said Norm Sloan, head coach of the US college basketball squad. If anyone, he would long remember the Moscow tournament.

Four minutes remained in the basketball game between the United States and Cuba. The scoreboard flashed 98-74 in favor of the Americans. There was one more play by Norm Sloan's team, and the scoreboard lit up 100. The team was wrapping up an offensive play when an American player was knocked down, like a boxer, then kicked in the face. This kick signaled the start of a brawl. Substitute players from the Cuban team ran out onto the court. A few seconds later, "envoys from the heroic island of Freedom" who were sitting in the stands poured out onto the basketball court. They beat the Americans with their fists, their feet, and chairs they had grabbed. The "keepers of the peace" did not interfere. The next day I interviewed one of the officials in the International Basketball Federation, who had seen all the major tournaments in the last 30 years. "All kinds of things have happened," he said. "But never anything like this. The strangest thing was that the police didn't get involved." And there were KGB employees everywhere—at the press center, at the competition sites, at the "international club," and in the athletes' dormitories.

And then there was the shameful ceremony at the Universiad when fans at Luzhniki booed the team from Israel. (At the Berlin stadium, fans had booed US athletes who did not raise their hands in the traditional Fascist salute as they filed past the VIP stand where the Führer was seated.)

The IOC undoubtedly knew all these facts. But still, they chose Moscow.

HOW VICTORY IS FORGED

On January 9, 1977, the *Washington Post* carried a letter from Don Berliner, an aviation/science writer and amateur pilot:

Your Dec. 26 editorial, "Moscow and the Olympics," brought into focus some experiences I recently had as a member of the United States team which participated in the Eighth World Aerobatics Championship this past summer in Kiev, USSR.

The Aerobatic Club of America spent more than $50,000 of its own hard-earned money to send six pilots, six custom-built airplanes and

nine support-crewmen to what it naively assumed would be an honest, open competition, as had been the previous biennial events. The Soviet contest organizers, however, saw it as an opportunity to demonstrate the superiority of socialism over capitalism.

While the sportsmanship of the participants from 15 countries was above reproach, the behavior of the Soviet contest officials was disgraceful. They twisted rules, maneuvered honest judges out of positions of authority, and encouraged their boundary judges to ignore their pilots' violations, while calling opposing pilots "out" when this was clearly unjustified. We discovered, too late, that all it took to get better treatment from the boundary judges was an occasional gift of chewing gum!

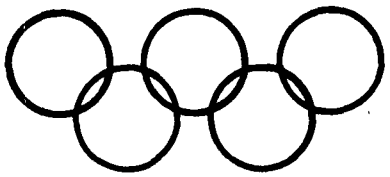
The Soviet Team swept all the major awards, to the obvious embarrassment of its own pilots, some of whom were very good, but not the world's best, in the view of the veteran observers from all parts of the world.

If this is not to prove the forerunner of far more serious anti-sportsmanship to come in 1980, it will be up to the US Olympic Committee to make realistic preparations.

The organizers of the Olympic games in Berlin dreamed of using the international competition for demonstrating the superiority of National Socialism. Their Soviet comrades intend to demonstrate in Moscow the superiority of socialism. To reach this goal they will stop at nothing.

At the Olympic games in Montreal in 1976 a scandal broke out when a Soviet pentathlete was caught cheating. He had beat his opponent on the fencing court with the help of a "technical device" in the hilt of his sword. Millions of Western TV viewers saw how Boris Onishchenko was caught literally red-handed at the scene of the crime. Of course, Soviet television viewers did not see this. Only in *Soviet Sports* could you read a few unintelligible lines: Onishchenko had allegedly committed an act that was unworthy of a Soviet sportsman and therefore had been taken off the Olympic team. Obviously, there was no mention of what the action was. He was just expelled, and that was that! Thus ended the athletic career of a world champion, an Olympic champion (1972), a many-time champion of the Soviet Union, an Honored Master of Sport, an officer in the Soviet militia, the party organizer (!) of the Soviet team in Montreal, whose chest was decorated with orders and medals presented to him for his prowess in sports. Let us leave aside, however, the ill-fated pentathlete and instead trace the path of hundreds of thousands like Onishchenko, as they advance from the juvenile section to the national team.

If an athlete is a gymnast, figure skater, diver, acrobat, or boxer, who plays a sport where the result is determined not by a precise instrument but by the eyes of a judge, then since childhood he had heard talk of "non-objective judging." He has really run into this type of judging and knows from experience that, in order to win, athletic prowess is not always enough.



It's too bad Goebbels did not have television back then—the whole world would have seen the smiles of the happy Germans!

If an athlete is a tennis player, wrestler, or fencer, then he learns that in sports one can always earn some extra money. Not all his opponents are as good as he is, and deals can be made: you give me money, and I'll let you win. In Leningrad, I knew a Master of Sport in table tennis who was always enthusiastically invited to various tournaments because he would sell "masters' points." And how many players deliberately let their opponents win, so they can earn some money! Their names are legion.

If an athlete is a skier, then he has to worry about how he will get a hold of (not *buy*, but get *a hold of*—they are not for sale) scarce imported skis. You can't race on Soviet-made "boards"! And he must worry about how he will outbid someone else for scarce ski waxes.

And as for the coach in a children's section! Oh, to be a juvenile coach is a rare art. A coach's job is to constantly chase after cups, medals, and honors, because prizes are the only way pedagogic talent is evaluated. In chasing after victories, coaches are not averse to anything.

The most widespread method of obtaining success is changing the date on the student's birth certificate. What is even better is to procure a new birth certificate for him. And if a "14-year-old" beats his "peers," the coach rubs his hands together in glee. Not a single All-Union Spartakiad for school children (in its own way an Olympics for children) has gone by without scandals connected with overgrown children winning.

Still another way of winning is to enter Ivanov under the name of Petrov. That way there is no reason to change a birth certificate and no reason to "correct" something on it.

This is the kind of athletic atmosphere in which people like Onishchenko grow up. By the time they wind up on teams, there's nothing sacred left for them. They have been absorbing this poison for years, and they judge others as they do themselves.

"Did you know that for the championship of Europe, you can only accept kids who were not born before 1953?" I asked a high-school basketball coach in 1972.

"Of course I do."

"But Viktor Viktorov was born in 1952, and you put him on the team."

"Everybody else does it," the coach replied confidently. A functionary in Soviet sports, he did not doubt for a minute that everybody cheats.

So that's how "victory is forged"!

I recall a story which a basketball referee in the international category told me. There was no condemnation in the referee's tone, but rather admiration, almost envy.

"You know, of course, that prizes are given out at world hockey championships for 'fair play,' " said the referee. "At one championship, both our team and the Swedes were after the prize. Before the last game, the Swedish hockey players had less penalty minutes than we did. Yury Karandin refereed the last game with the Swedes. The period started, the minutes went by, and the Swedes kept playing 'clean,' without anyone being thrown in the penalty box. After the first period, Tarasov went up to Kar-

andin and said..." (Here the referee paused and glanced around at his listeners, making sure that they all knew who the head coach, Tarasov, was.) "Then Tarasov said: 'You call that refereeing?' Karandin was silent. 'You call that refereeing?' repeated Tarasov threateningly. During the next period, Yury Karandin slapped a Swede with a 15-minute penalty for nothing, and when the Swede threw up his hands in bewilderment, Karandin slapped him with a 10-minute penalty for arguing with the referee. Our team got the prize for fair play. Every hockey player was given a Rolex watch."

I was not a witness of the conversations Tarasov had with Karandin, and neither was the dashing basketball referee who told me the story. But knowing of the behind-the-scenes kitchen where Soviet coaches and referees cook up this sort of thing, I don't doubt the authenticity of his story. The end justifies the means, they figure, and their end is to prove the superiority of "our old, traditional system" by any means. So, in what sports clubs are athletes best prepared for winning? Even a passing acquaintance with the reference books will tell you: the lion's share of all the prizes is taken by the Army and Dynamo athletes (the KGB and the police, respectively).

What are the strongest hockey teams? The Central Red Army Team and Dynamo in Moscow. What's the best basketball team? The Red Army. Soccer teams? The Dynamos of Kiev, Tbilisi, and Moscow. Volleyball teams? The best women's team is Moscow's Dynamo, and the best men's is the Red Army. At the Olympic games, from 1952 to 1976, the Army and Dynamo teams have won more gold medals for the Soviet teams than athletes from any other club.

Talented athletes from other clubs are mobilized into the army, and so that they won't have to serve their term, they "forge victories" at the stadiums instead. In each military district, specialized sports divisions are created, where "amateur" athlete-soldiers train, train, and train some more.

This militarization, so incompatible with Olympic ideals, has penetrated all aspects of Soviet sports. Even Hitler's Germany did not know a similar phenomenon. I guess the Fascists just did not have enough time.

This is the atmosphere in which future athletes like Onishchenko grow up. In daily life, they repeat the Olympic motto, with or without occasion: "It's not whether you win, it's how you play the game." But they know what is important. They have thoroughly learned that you don't get an apartment, prizes, and cars ahead of the line for "how you play the game." They know that "how you play the game" does not guarantee you or your children material well-being. The good things in life are due to you only for winning.

THE WEST TO THE RESCUE

NBC paid Mexico City $4.5 million dollars for the broadcasting rights to the XIX Olympic Games. The XX Olympics cost the same company $13.5 million; and the XXI Olympics, $25 million. "More than three years before the opening ceremonies of the XXII Games, the Soviet Union and NBC have set the first record for the Moscow Olympics—$85 million dollars," commented the *New York Times* on the latest deal.

The Soviet Union is in need of money, of hard cash. But no less than money, it is in need of propaganda for the "bright and happy" life. And American television is going to do the Soviet Union a big favor. Remember Goebbels's words: "The future of the Reich will also depend on what feelings our visitors will leave with."

"Visitors to Olympics Carrying Away Highly Favorable Impression of Reich." This was the headline that ran across the whole page of the *New York Times* on August 16, 1936. It was the amazing cleanliness of the city, the extremely well-mannered guides, the uninterrupted service of all the Olympic facilities.

Was there anti-Semitism? What are you talking about?! Two Jewish newspapers came out peacefully. On the German team there were two Jewish athletes—Helen Maier, a hurdler, and Rudy Bell, a field-hockey player. Why only two? But teams are made up according to athletic principles, not national....Oh, sure, there was that annoying incident—the Führer did not shake the hand of a winner in the high-jump competition, the American Negro Cornelius Johnson. The Führer left the field right before the prizes were awarded. But he was a government personage, he could have had very urgent matters to attend to, could he not?

And visitors carried away favorable impressions of Berlin and the Reich.

SYMBOLIC SPORTS

From The Handbook for Party Activists *(Moscow, 1979), in a chapter on the Moscow Olympics:*

The decision to give the honored right to hold the Olympic Games in the capital of the world's first socialist state is convincing testimony to the general recognition of the importance and correctness of the foreign political course of our country.

From a poorly translated English edition of a Soviet history of the Olympic Games, From Athens to Moscow *(Moscow, 1979), on the 1936 games:*

Trying as much as they could, the German propaganda of the Doctor Goebbels department spread rumors about peace-loving Nazi state, and they schemed that the world sports festival would help them a lot in forcing that view on the public. Hitler thought to make use of the games as a beautiful curtain besides which he could safely prepare to realize his aggressive plans....

The program of preparatory measures included a number of police actions, with a view of concealing from the foreign public the practice of routing the democratic demonstrations, repressions and elimination of democratic freedom. It became all the more apparent that the Nazi rulers would go all the way to use the Olympics for demonstration of fascist ideas. The *Christian Century*, a U.S. magazine, wrote to the effect: "Nazi utilize the fact of Olympiad for the propaganda purpose to convince the German people in the power of fascism, and the foreigners, in its goodwill."

...the world protested with revolt and indignation against the holding of Olympiad in the Nazi country....many countries [concluded] that the holding of the games of the 11th Olympiad in a fascist country is incompatible with the Olympic principles and appealed to all peoples of goodwill and to all followers of Olympic ideals to boycott the Hitler Olympiad....

By 1936 the whole world understood what fascism meant. The games should never be held in a fascist country. The five interwoven rings symbolizing the friendship between the peoples of the five continents are incompatible with the swastika, which had become in Germany the symbol of violence, robbery and murder—that was the decision of the progressive athletes [who boycotted the 1936 winter games at Garmisch].

It's too bad Goebbels did not have television back then! The whole world would have seen the smiles of the happy German citizens! And what thrilling interviews Helen Maier and Rudy Bell could have given; they could have made it clear to the whole world that only enemies of the Reich talk and write about anti-Semitism in Germany.

Technological progress has come a long way. In 1980—thanks to NBC—the world will be assured that there is no better city than Moscow on the earth and that socialism is the most fair system.

"There is nothing in our contract to indicate we won't have complete freedom in Moscow," said Chet Simmons, president of the NBC sports division. The rabbit had fallen into the snake's trap.

On March 15, 1963, NBC's Moscow bureau was closed and resident correspondent Frank Bourgholtzer was ordered to leave the hospitable Soviet country. The reason? Two movies that NBC had filmed, one on the death of Stalin and the other on Khrushchev's career. Only two years later was the Moscow bureau reopened. On July 2, 1974, Soviet television authorities interrupted the broadcasting of a report prepared by an NBC correspondent, which included an interview with Andrei D. Sakharov.

Both of these incidents, people will object, are from the prehistoric epochs of relations between the Soviet Union and NBC, before the $85-million dollar contract had been signed. Nothing remains except to cite a fresher example.

On August 28, *1979,* NBC Moscow correspondent Gene Pell decided to get an interview with his fellow American Francis Crawford at the entrance to Lefortovo Prison. Crawford had been declared guilty of exchanging money on the black market. But Gene Pell's intentions were destined to be thwarted; plainclothesmen took his reporter's ID away from him and did not allow him to speak with Crawford.

No one is authorized to "tarnish" Soviet reality. And who dares to do so will be taken to court, as were *New York Times* correspondent Craig Whitney and *Baltimore Sun* correspondent Hal Piper. Only representatives of the all-conquering Marxist-Leninist philosophy know what is truth and what is a lie. It is not given unto others to know. And of course NBC correspondents belong to "the others." American TV personnel are not going to speak with critics of the Soviet regime in 1980, but with Masters of Sport. And will there be any critics left in Moscow by 1980?

CHILLING SIGNS

Those whom the Soviet government does not want seen will find it very difficult to get into Moscow. It will be easy to bar their path—only Olympic ticket holders will be allowed in the capital. These will be only "frontrunners of socialist competitions" (contests between factories or departments designed to provide incentives to increase production), Communist Youth League (Komsomol) activists, and excellent students. It will be harder to figure out what to do with foreigners, with the bourgeoisie; but something will be done with them, too. Everyone who wanted to come to the previous Olympic games did so. There were no limitations for anyone. Even to Berlin? Yes, even to Berlin. When Moscow made its bid, it stated: The doors will be open to all. But then other winds began to blow.

Soviet athletes have learned that you don't get an apartment, prizes, and cars ahead of the line for "how you play the game."

In the beginning of 1977 Moscow announced, through the secretary general of the Olympic Organizing Committee, Alexander Gresko (Gresko was a KGB agent in Great Britain and was one of the 105 Soviet spies expelled from there in 1971): "We will hardly be able to satisfy the requests of all those hoping to come to Moscow at this time. And because of this, according to Olympic tradition, each country will be given a quota." These "traditions," however, have never limited the number of tourists; quotas were introduced only to distribute the tickets to stadiums and gymnasiums.

Later in 1977 *Soviet Sports* commented: "Previously, no limitation to the number of accredited journalists existed at the Olympic games. . . . And in Innsbruck and Montreal there turned out to be more of them than participants in the competitions. This is not bad in itself. However, there is a danger that the press service will become cumbersome and awkward, and expenses for it will be beyond us." So? The IOC confirmed the numerical composition of the press corps that Soviet comrades suggested.

The American communist newspaper *Daily World* brought the following notice to everyone's attention: "The Soviet Olympic Committee has requested that the IOC not permit any unfriendly correspondents in Moscow, since these correspondents will disrupt 'the spirit of peace and friendship among nations and will violate the principles of the Olympic movement.' " So, they have figured out what to do with both tourists and journalists. And now comes the athletes' turn.

At the beginning of 1978 the Sports Committee announced that a quota had been established for participation of foreign athletes during the pre-Olympic week, which is traditionally held a year before the Olympics. "We will invite 2,000 athletes," said a committee official. When questioned, he refused to say whether athletes from Israel and Taiwan would be invited, remarking that only "indisputable stars" would be able to come from abroad.

In the summer of 1978 the organizers of the Baltic sailing regatta did not allow athletes from Belgium, Israel, Ireland, and Chile into Tallin. The Tallin competition is regarded by yachtsmen as one of the steps of preparation for the Olympic games. It is here that the XXII Olympics sailing events will be held, and Tallin, as Moscow, has been named an Olympic city.

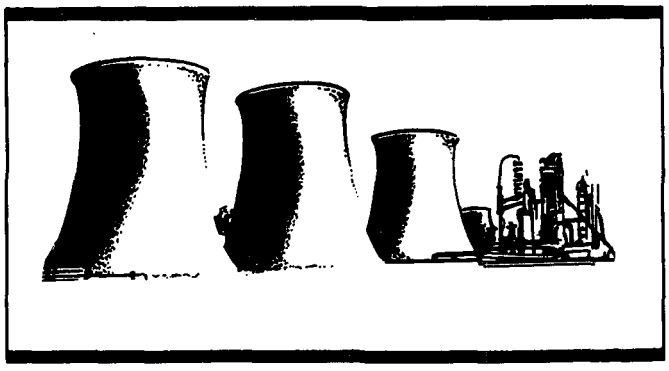
In Berlin and in the German city of Garmich Parten-Kirchen (the Winter Olympic games were held here in 1936,) there was free access for everyone. There were even Soviet reporters in Berlin, although at that time, Stalin and Hitler had not yet managed to sign their agreement on dividing up the world. Information broadcast from Berlin was not subjected to any censor, and on the pages of the Fascist press, the "idle conjectures" of correspondents from other countries were not refuted. Recalling the Moscow Universiad and how Soviet newspapers pounced on critical articles in the Western press, we can unmistakably predict what will happen in 1980. Without a doubt, not a single word

(Continued on p. 47.)

IS ANY RADIATION TOO MUCH RADIATION?

MORE THOUGHTS ON THE QUESTION OF THRESHOLDS

BY BRUCE K. BELL



NUCLEAR ENERGY has come under increasing attack in recent months from some people who line up on the side of individual liberty. They argue that, since nuclear power generation necessarily involves the emission of some amount of radiation, "by its very nature" it causes "premeditated random injury or murder" of innocent, nonconsenting persons and threatens "genetic damage for generations to come." And they conclude that it thus violates the "libertarian rule of law" by depriving people of life "without due process of law." (The representative quotes are from John Gofman, *Libertarian Review*, Sept./Oct. 1979, and John Gofman and Egan O'Connor, *Inquiry*, Feb. 18, 1980.)

In reply, Bernard Cohen has written an excellent defense of nuclear power (REASON, Mar. 1980), but his arguments fall short of supporting its safety completely, especially since he agrees with Gofman on the scientific acceptability of the so-called linear hypothesis, which assumes that radiation is harmful at low doses since we know that it is at high doses. They differ only on the questions "*How* harmful?" and "Is this harm *acceptable?*"

RULES OF EVIDENCE

Gofman argues that *no* amount of risk and harm is acceptable, just like the "Delaney clause" allows food producers to use *no* amount of an additive shown to cause cancer at high doses. Cohen replies that Gofman's estimates of harmful effects from low doses are much exaggerated and that the actual risks are far less than those we commonly take and "accept" everyday in other areas. But they both fail to see the scientific and legal merits of the contrary "threshold hypothesis," which assumes that there is no harm below a certain dose *until* and *unless* proven otherwise.

Scientifically, there are plenty of things that are harmful at high doses but *required for human survival* at low doses. Water, salt, and vitamins A and D are common examples. These cases dictate against making the "linear hypothesis" a *general* assumption, even for a cancer-causing substance, since it assumes that the human body does not have *any* defenses. Surgeons obviously make the "threshold" assumption when they remove most of a large malignant tumor in the belief that the body's natural defenses can then handle the small amount left.

Again, animal studies show "negative" (lack of harm) effects at low levels of radiation. This, however, does not "absolutely prove" that there is a threshold, since this is an impossible task, requiring the testing of all animals and humans (past, present, and future) to show that none of them is harmed at low levels. On the other hand, it is possible to show harm below a presumed threshold, simply by producing one animal or human, or a group of them, harmed at a lower dose. Thus, the *legal* burden of proof must be placed on those who claim that these are "false negatives"—on Gofman and others who say that we are mistaken in believing that radiation is *safe* below a certain threshold, that it is in fact *harmful* (and that someday we will have the resources to prove this).

This placement of the burden of proof also conforms with the libertarian principle that all persons have the right to do as they want so long as they do not violate

the rights of others. That is, this principle entails the *legal presumption* that a person is not violating another's rights unless it is proven otherwise. This is the difference between living in a statist society where an "environmental impact statement" has to be filed before one acts, and a libertarian society where one is free to act until one has infringed or threatened to infringe upon others' rights. Both "libertarian rule of law" and "constitutional due process of law" presume innocence, not "premeditated random murder."

RULES OF INSURANCE

Nonetheless, the "linear hypothesis" has at least two *nonlegal* uses. Insurance companies can use it to estimate their maximum liabilities and to calculate premiums for insuring nuclear plants and medical uses of radiation. Second, since it can be expensive for an *individual* to prove harm from a particular source of radiation, one can, in effect, insure oneself for this eventuality by paying a scientific organization (like the National Academy of Sciences) to conduct further research into the possible truth of the "linear hypothesis." To figure out *how much* to spend, the "linear hypothesis" can be used to do a "cost-benefit analysis." The costs are what one spends for the research, while the benefits are stopping or preventing the harm, which is calculated by multiplying the amount of harm to be stopped (based on the linear hypothesis) by the probability that there *is* harm (that the linear hypothesis *is* true).

So these two debated hypotheses each has a proper place. The threshold hypothesis should be adopted as a legal presumption until proven otherwise, while the linear hypothesis should be used by Gofman and others "to put their money where their mouth is," to come up with the evidence required to return a verdict of guilty for nuclear power. ◻

Bruce Bell recently completed an appointment as a resident fellow at the Reason Foundation and is continuing work applying philosophical, legal, and public policy considerations to the issue of food additives, drugs, and environmental pollution.

Poole

(Continued from p. 33.)

vate sector was a major obstacle to improving urban mobility. Davis's view was that public and private operators must work together to expand the market for all forms of transit. Instead of throwing up barriers, public officials must work to remove them.

This unconventional view got a chance to prove itself in 1975. That year, city officials met with Center personnel to devise a way out of their public transit mess. The local bus line, taken over by the city in 1967, was losing over $1 million a year because of continually declining ridership and doubled operating costs. Even at rush hour, only half the seats on the buses were filled.

The Center and the city put together a proposal to set up an agency—DOPTS—to act as a "ride-sharing broker" that would try to match supply and demand. Rather than focusing on convincing more people to ride the fixed-route bus system, it would begin with individual consumer needs and seek whatever forms of paratransit would best meet them.

One of the new agency's first steps was to make an inventory of all potential transportation suppliers in Knoxville. The results surprised nearly everyone. Including charter bus and school bus companies, taxis, limousines, and church buses, there were 770 vehicles (only 80 of which belonged to the public bus line) with 27,671 seats (only 3,600 of them on city buses). Clearly, Knoxville had considerable untapped transit potential.

The next step was to defuse the fears of existing transit operators that the project would shift riders away from *their* services to other forms of transportation. The project's potential to expand *total* ridership (by luring more people out of their cars) was stressed, and most operators proved willing to give it a try.

Once under way in 1976, DOPTS moved quickly to stimulate the introduction of subscription buses and van pools. DOPTS and the university successfully lobbied the state legislature to exempt private car and van pools from common-carrier licensing and regulation. They also lobbied the insurance companies so that van-pool drivers would not have to bear liability for all passengers. Finally, they convinced local lenders to treat van-pool loans to would-be drivers as *business* rather than personal loans, to enable 100 percent financing.

What has the Knoxville experiment accomplished? In its first 21 months, DOPTS stimulated the creation of car pools carrying 1,000 people and van pools carrying another 600. Another 1,200 people were using new city and private-subscription bus service. Several of the private bus firms have expanded, one going from 2 to 13 buses. DOPTS has also persuaded the city to legalize ride-sharing in taxis and is experimenting with shared-ride cabs as a feeder to the city bus line.

The Transportation Center estimates that, as a result of these activities, about 2,000 cars have been removed from Knoxville's streets, thus reducing both congestion and pollution. Ridership in subscription buses and van pools already totals one-fourth that of the city bus line (which has also increased its ridership).

The Knoxville experience is being duplicated in Southern California by Commuter Computer, a joint public/private project. In addition to promoting private car pooling by computer-matching potential ride-sharers and promoting van pooling, it recently helped the Los Angeles taxi industry introduce shared-ride service—despite a city ordinance prohibiting cab companies from "forming taxi pools." Commuter Computer pointed out that the law didn't prohibit riders from *joining* a taxi pool. So it has now launched "Come Together" ride-sharing, in which it is helping riders form taxi pools.

The transit brokerage concept is a low-cost, effective way to improve urban transportation. By stimulating the private market, it expands the supply of unsubsidized transit. Moreover, unlike the case of costly new subways like BART which attract mostly bus riders, these new paratransit options succeed in luring commuters from their cars. Besides giving taxpayers a break, they accomplish the elusive goals of reducing both congestion and pollution. ◻

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Robert W. Poole, Jr. is the editor of REASON. This article is adapted from Mr. Poole's new book, Cutting Back City Hall, *published in May by Universe Books.*

by Tibor R. Machan

WHY "ECONOMIC MAN" IS NOT ENOUGH

If you defend liberty the way most economists do, you've conceded the issue to the socialists

IT MAY BE SURPRISING, but many friends of liberty share some important ideas with socialists. Even more, this is a fine thing!

A central complaint of socialists has been that capitalists entertain a faulty conception of human nature. And they're right about some of the most prominent defenders of capitalism. These people have argued and still argue for capitalism on grounds that every human being is a rational maximizer of personalized utilities—a being engaged in the orderly, systematic satisfaction of unique tastes or preferences. And such defenders of capitalism maintain that it is the best system for human beings because it makes possible the widespread success of such striving for self-gratification.

ISOLATED INDIVIDUALS

The origin of this sort of defense of the free society—heard most frequently from economists—lies in the thinking of the British philosopher Thomas Hobbes (1588-1679). It was Hobbes's view that there is no essential human nature, no basic features common to all human beings. Indeed, *nothing* has an essential nature, in Hobbes's view. Instead, the identity of things lies simply in our having assigned them names, a view known as nominalism.

Although Hobbes, and others who more or less followed in his footsteps, didn't intend to give support to anything like capitalism, numerous influential minds did use the position to defend that system. Hobbes's philosophy was attractive for this purpose because it was regarded as a scientific outlook, mainly because there wasn't any room in it for a supernatural deity. For Hobbes there were, ultimately, only bits of matter in constant motion, governed by the principles of mechanics. This did indeed appear to be a view warranted by the most sophisticated science of the times, Newtonian physics. In line with it, human beings were seen as merely complicated composites of matter-in-motion, each seeking to sustain its life (motion) as long as possible—that is, each self-seeking, possessive, acquisitive, callous, and antisocial (except as social cooperation might help his survival).

Today, this view of human nature and social life underlies the work of many economists. One consequence of so viewing matters is that no one is supposed to desire friends, adventure, or work *as such*, but only their *results*. When such Marxist socialists as C. B. Macpherson zero in on capitalism, all they talk about is the "possessive individualist" ideas derived from Hobbes. (Even John Locke, who actually argued for the natural *moral right* of everyone to be free and to pursue prosperity, has been characterized as but a sneaky follower of Hobbes, not only by Marxists but by numerous conservatives.) Anti-capitalists are glad to focus their criticism on such *a*moral Hobbesian arguments for freedom, for this makes statism appear to be the morally sensitive position. So it is not surprising that anti-capitalism has appealed even to some who would otherwise have no sympathies for socialism and its implications.

Even socialists get some things right, and their criticisms of the Hobbesian view are on the mark. Not that being calculating isn't part of human nature; it definitely, and indeed fortunately, is—very much so. Without the ability to engage in strategical, practical reasoning, there would be nothing like technology, engineering, mathematics, and numerous other valuable and interesting human endeavors.

THE ROLE OF REASON

But this sort of thinking isn't all that human beings are capable of performing, contrary to widespread contention. We are able to appraise, evaluate—rationally choose between what is better and what is worse for human life in all of its multifaceted aspects. The world presents us innumerable possibilities, not just concerns about how to get from one place to another, how to make something happen, or what means to use to achieve some goal we seek. One of these many facets of the world presented to us concerns the issue of what is good and what is right, and this too is something the human mind is able to answer. Besides the "engineering" questions—how to do something—we can also pose and answer questions about *what* to do.

In short, the human mind isn't confined to working on just one plane; reason itself can adjust itself to cope with various different aspects of existence. Where Hobbes and his followers thought and think that all the mind can do is figure out the means by which to satisfy fixed goals—with reason at the service of built-in drives,

instincts, and passions—the alternative, Aristotelian idea of human reason sees us as capable of shaping our tastes, preferences, desires, passions, and motives by the careful use of our reason.

Interestingly, in their disenchantment with the narrow conception of human reason, of human nature, the socialists gave expression to a view that would ultimately serve the cause of liberty more than of socialism. Karl Marx devoted many passages in his writings to criticizing the atomistic individualism of the economic defenders of capitalism. He rejected the doctrine of natural rights as stemming from a philosophy in which "the freedom in question is that of a man treated as an isolated monad and withdrawn into himself" and contended that, thus, "the right of man to freedom is not based on the union of man with man but on the separation of man from man." Although this is a complete misunderstanding of the meaning of the doctrine of natural rights as expressed, for example, in the Declaration of Independence or by John Locke, it does point to the frequent association of the advocacy of the free, capitalist society with the Hobbesian point of view.

SOCIAL RATIONALITY

In contrast to this Hobbesian view, the socialists swung toward the other extreme of the pendulum. They stressed the social nature of human beings and propounded the morality of collectivism. Marx wrote very early in his career that "The actual individual man must take the abstract citizen back into himself and,...in his empirical life, in his individual work and individual relationships, become a species-being; man must recognize his own forces as social forces, organize them, and thus no longer separate social forces from himself in the form of political forces." In other words, everyone's entire existence ought to be made an existence devoted to society—a socialized existence.

To those with a sense of realism and humanity, the socialist idea appeared far more sensible than the artificial idea of atomistic individualism that denied any place for morality and stressed each person's identity as an isolated being. This made it appear that the socialist idea of human nature, and the ideals derived from it, are far more appreciative of the complexities of human life. Today, socialism has proven itself a widespread failure when put into practice, and millions have testified with their blood and their very lives to its horrible consequences. Even so, it is still widely accepted as the humanitarian, compassionate, decent social ideal; whereas capitalism is something cruel, heartless, dog-eat-dog, and at best efficient merely for material enrichment.

By focusing on *a*moral arguments for freedom, anti-capitalists make statism appear to be the only morally sensitive position.

Interestingly, one of the strongest appeals of the socialists has always been their attempt and wish to extend an idea they picked up from defenders of capitalism, rooted in the very idea of human nature and reason that they found objectionable. Bhikhu Parekh put the issue very clearly in his introduction to *The Concept of Socialism:*

> *The bourgeois view of man also defined him as a rational being and rationality as a capacity for planning, but for socialists there was a contradiction. They thought it odd that men should plan their lives individually but not collectively, that they should live as men individually but as "animals" collectively, and wondered if it was ever possible for an individual to act rationally in a society that was not itself rational.*

The main difference between capitalists and socialists—that the former are individualists while the latter are collectivists—lies in the scope of rational planning, and not in any differing view of rationality. Parekh reinforces this by noting that "the idea of social planning seemed to socialists to be inherent in their [capitalists'] definition of rationality, indeed, in their definition of man."

REASON AND INDIVIDUALITY

It is interesting that today some defenders of the free society find the connection between the so-called bourgeois and socialist conception of rationality so disturbing that they decry rationality itself. F. A. Hayek, among them, has mounted a concerted attack on what he calls constructive rationalism and has embraced an alternative view whereby reason doesn't (or shouldn't) really play a significant part in human social life. And it is well known that conservatives have long disparaged man's rational nature, stressing instead the intuitive, religiously oriented element that favors faith as opposed to reason. What is less well known is that one argument used to support this preference has been the close connection between the capitalist and socialist viewpoints in the respect they have paid to reason—at least a form of reason.

The problem is, however, that the view of reason advanced by capitalism's Hobbesian defenders is only partially right, while the socialists have mistakenly interchanged the social aspects of human nature and human rationality, which is in fact fundamentally tied to each person's individuality. As a faculty or capacity of human beings, rationality entails that each person must initiate his or her rational mental activities. The very distinction between rationality and irrationality presupposes the capacity for genuine individual choice within the domain of thinking. This means, in turn, that only individuals can, in the last analysis, generate rational ideas and conduct—that is to say, rational planning by society is impossible, since only individuals can exercise rationality.

Of course, this fact about the connection between individuals and rationality does not yield the Hobbesian idea that individuals are isolated atoms. On the contrary, by using their minds, individuals can quickly recognize the value of social, and even political, association. They can also see that they are indeed of the same species, but this does not require of them that they abandon their individuality in favor of what Marx called some sort of collective species-being. Trying to do this, and thereby trying to collectivize human reason itself, must lead to the hopeless efforts exhibited by the Soviet and other socialist governments to engage in centralized planning of the lives of members of human communities. Socialists are guilty of committing the fallacy of composition—jumping from the observation of rational capacity in individual human beings to the attribution of such a capacity to groups of individuals as such. This is the fatal theoretical and tragic practical element of so-

cialist political economy.

So while socialists, along with many supporters of the free society, reject the purely economic defense of the capitalist system which rests on an atomistic idea of human nature, they also consider the rational capacity of human beings a vital aspect of their respective philosophies. But there the similarity ends. Socialists tried, and are still sometimes trying, to collectivize human reason, which simply cannot be done. And they have not, unlike anti-Hobbesian defenders of the free society, taken seriously a different type of individualism—one that stresses, not the atomistic separation of everyone from everyone, but the moral independence and self-responsibility of every human being, even as various forms of social and political association are fruitfully pursued by each of his or her own free choice. ◻

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Distinctions in society will always exist under every just government. Equality of talents, of education, or of wealth, cannot be produced by human institutions. In the full enjoyment of the gifts of heaven and the fruits of superior industry, economy, and virtue, every man is equally entitled to protection by law.

But when the laws undertake to add to these natural and just advantages, artificial distinctions. . . to make the rich richer and the potent more powerful, the humbler members of society, the farmers, mechanics and laborers, who have neither the time nor the means of securing like favors to themselves, have a right to complain of the injustice of their government. . . .

There are no necessary evils in government. Its evils exist only in its abuses. If it would confine itself to equal protection, and, as heaven does its rains, shower its favors alike on the high and the low, the rich and the poor, it would be an unqualified blessing.

—Andrew Jackson,
veto message on bill renewing
the charter of the Second Bank
of the United States, July 10, 1832

Orlov

(Continued from p. 42.)

that casts a shadow on the only just socialist system in the world will make it into Soviet newspapers.

Czechoslovakian newspapers censored and "corrected" Lord Killanin's speech at the IOC sessions in Prague in June 1977. He had the imprudence to say that "national Olympic committees and the individual athlete must be protected from becoming the instrument of government direction." "Government direction" was taken—and rightly so—as an allusion to the sports policies of socialist countries. So "government direction" disappeared from the text, and "commercial interests" appeared in its place. The president of the IOC received an apology (it was the fault of the "switchman"—in this case, the interpreter), but a correction did not appear in Czech newspapers. Lord Killanin and the IOC members swallowed this pill, and the session continued. The pre-Olympic warm-ups went successfully, and now the competitions would be next.

"I have a chilling sense that what happened in Berlin, in 1936, will happen again in Moscow in 1980.... Once again the West will be deluded," wrote Beverly Nichols in a letter to the *London Times.* Nichols had covered the Olympics in Berlin in 1936.

Alas, this will most likely happen.

PRECEDENT FOR PROTEST

In the 1940s and '50s, on all the posters announcing the soccer matches for the USSR championship, it was printed: "The game will take place in any weather." Whether there was pouring rain, hurricane-like wind, or snow—in any weather. In the 1960s this slogan disappeared. It was either because they started changing scheduled matches to other days, with and without explanation (one more example of socialist planning), or because they saw some sort of undesirable allusion in the words "in any weather."

Today, the phrase should be remembered and widely used. It should be used in advertisements for the XXII Olympics, on posters, on souvenir medals, coins, stamps, and (I will make this suggestion to the IOC) on the medals that prizewinners will receive at the next Olympics. "Brown" weather did not interfere with the holding of the XI Olympic games. And judging from everything else, "red" weather will not be a hindrance either.

But evil has not always triumphed. The sports world knows examples of a worthy retort to totalitarianism.

After the suppression of the Hungarian revolution by Soviet forces, the Olympic committees of the Netherlands and Switzerland did not send their teams to Melbourne for the XVI Olympic games.

Twenty years later, the International Handball Federation canceled its world championship for women's teams, which was supposed to take place in the Soviet Union, as a sign of protest against the occupation of Czechoslovakia by forces from the Warsaw Pact countries.

In the winter of 1969, Norway refused to hold the world field-hockey championship because a Soviet team was intending to take part in this tournament. That same winter, the world ice-hockey championship was removed from occupied Prague to Stockholm.

Since that time, the weather has not cleared up. This one-sided detente—and how could it be otherwise?—has not brought any thawing. Quite the opposite, the climate has become chillier. So will the games really take place "in any weather"?

More than four decades have passed since the XI Olympics in 1936. How many Berliners are left alive out of that million, which stood like a solid wall along the path of the Olympic torch runner? What happened to the boys from the "Hitler Jugend," who sang such rousing songs, provoking the admiration of the tourists who had come to Berlin? In what graves are the German athletes lying, those who had laid their laurels at the Tomb of the Unknown Soldier in 1936?

The 1940 Olympic games were canceled by war. What will happen with the Olympics of 1984, in Orwell's year? ◻

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Restoring the American dream . . . what are the prospects?

Photographs by Peg Owens

REASON INTERVIEW:

ROBERT RINGER

Several years ago, not long after Ayn Rand's The Virtue of Selfishness *was published, a book appeared on the best-sellers' list, entitled* Looking Out for Number One. *Even those who like to put matters a bit more delicately found something hopeful about having such a title make it big. For in spite of living in a country based on political individualism, any kind word about individual efforts to make a decent, successful life is by now a great occasion.*

The mastermind behind the book was author Robert Ringer, who had previously written a book with a title that had not been so warmly welcomed by libertarians and individualists, Winning through Intimidation. *Individualists had been charged in the past with just this sort of view—that human beings are but selfish rats, willing to destroy by more or less brutal means anyone who gets in their way.* Looking Out for Number One *promised a bit of moderation, along with the good advice that people really should make sure that they prosper in life.*

Robert Ringer did not leave it at that. With his next work, Restoring the American Dream, *he produced what is to date one of the better popular, nontechnical discussions of libertarianism, the free market, civil liberties, and the malaise of our times.* Restoring the American Dream *is a comprehensive discussion of political issues of our day, always explained and analyzed from an individual-rights perspective, with a great deal of good insight and recommendation. The book was on the national bestseller list for many months (to be followed soon by Milton and Rose Friedman's far less comprehensive* Free to Choose, *interestingly and encouragingly enough).*

In September 1979 REASON published a selection from Restoring the American Dream, *and we wanted our readers to be better acquainted with the author of one of the books that has aimed at providing a general, accessible introduction to libertarian thinking. To this end we have sent Manuel Klausner, one of our senior editors, and Thomas Hazlett, a columnist and frequent contributor, to interview Robert Ringer.*

The sales haven't measured up to the million-dollar advertising, leading me to believe even more strongly that people are hopelessly involved in Monday night football, Coors beer, and Charlie's Angels.

REASON: In *Looking Out for Number One,* you wrote that you have never been able to think of a rational reason for taking up group action. Yet you gave the keynote address at the Libertarian Party Convention in Los Angeles last year. Have you changed?

RINGER: You can really ask tough questions. I have changed; I think I said why in *American Dream.* It became a matter of not being able to pursue your own happiness, because the government has proven without any doubt that it's not about to let you alone. And I've always said that if the whole world is going to collapse—I mean, you can't have a hell of a lot of fun if the whole world is going to collapse—then it's in your best interest to take on the big picture. And that's where we are today, in my opinion.

REASON: Well, in *Restoring the American Dream* you suggest that we have only a 1-in-100 shot at bailing things out before a national collapse of tremendous proportions. In resisting this, aren't you on the other side of the coin—with a 99 out of 100 probability that you are just going to be spitting in the wind?

RINGER: It may be a bad risk, and that's why I'm not totally involved. And at the time I wrote that I said 99 to 1, but I think it's a lot worse than that now.

REASON: Your advertising campaign for *Restoring the American Dream* was rather phenomenal, and I understand that you put up most of the money yourself. How much have you spent, and are you in the black?

RINGER: I'm not in the black right now, but we never are at this stage of the campaign. I always hope to at least break even on the hardback. The big money is in the paperback. And right now we have spent just a million dollars.

REASON: And that involves full-page ads in how many newspapers?

RINGER: Originally, it was 41 newspapers. Since then we have done a lot of papers that we didn't originally plan to advertise in. I would guess now that we are talking about 50 newspapers including the *Wall Street Journal.*

REASON: And the *New York Times*?

RINGER: All the big newspapers. But later as we got into it, there were stores that used Big Brother's protection and insisted that we run ads with them. Because the FTC says that if you run with any stores, you have to give the other stores the same opportunity. So we had to run ads we had not originally planned on.

REASON: For years, critics of capitalism have alleged that *laissez faire* is simply a nice-sounding banner, which the strongest members of society can parade in order to gain the chance to crush the powerless. And now a guy named Robert Ringer, who flies the *laissez-faire* banner at full mast, comes out with bestsellers entitled *Winning through Intimidation* and *Looking Out for Number One.* Were the collectivists right about us all along?

RINGER: You use a whole bunch of words there that don't even have any meaning to me. To some people, "crushing those with less ability and less opportunity" means just making more money than other people. I should pull a Harry Browne and ask you to define every word.

I'm very upset by the fact that nobody seems to want to take this on on a moral basis. Everybody wants to argue why *laissez-faire* capitalism is the best thing for the poor, which I also do in *American Dream.* The older I get the more crotchety I'm getting about it, because the truth is that none of that really matters. What really matters is that it is morally right. And I will stand or fall on the belief that everybody has a right to retain 100 percent of the fruits of his labor, and everything else is just an aside.

We can talk all day and give examples of what happens in places where collectivism has been achieved—Afghanistan, Ethiopia, Cuba, China, Russia—and of course, that makes a farce of all the arguments—but I think that it really gets people off the beaten path. The truth is that it's morally right and just that every person keep the fruits of his labor.

REASON: For all of your defenses of a free and competitive marketplace, you don't seem to entertain much respect for the people who operate in the parts of our marketplace that are still open to competition. You refer to your days in the real estate profession as gaining a degree from "Screw U," and you say that you lost your shirt and went bankrupt 10 years ago because "I forgot my principles and started to trust people." Is the business world a jungle?

RINGER: Well, I think it is to some extent. But I was saying a lot of that in *Winning through Intimidation*—tongue in cheek—and I don't think it really relates to libertarianism, *The American Dream,* or anything else. That was a book about business, telling people how to keep from becoming intimidated in the business world and in the world in general, in everyday life. And I don't think one has any-

What we really need is a hell of a lot of money, big money. And if I were in charge of spending it, I would get people like John Hospers and Sy Leon, who can really communicate these ideas to the guy in the street.

thing really to do with the other.

REASON: But from the outside it might appear to be an argument that business society is a bad thing, and we should go with socialism.

RINGER: No. All I was really telling people is that you can be sure that every guy is going to try to get the best deal he can in every transaction. If you don't think that, you're very naive and you're going to get hurt. From a moralistic point of view, I'm telling him he has a right to get the best deal he can, as long as he doesn't use force or fraud.

REASON: To the extent that your latest book has been reviewed, what has been the reaction of the critics?

RINGER: Well, it's interesting. The really noteworthy thing is the total black-out—the media has done an excellent job of ignoring the book. I really expected them to attack me more viciously. Colman McCarthy viciously attacked it in the *Washington Post*, and I thought that was the way it would be around the country. I was even kind of hoping for it—he yelled and screamed so much that, if I were somebody who read the article I would want to buy the book and find out what this guy is so afraid of. But by and large, all the big magazines—*Time, People*—who had always done big articles on me, totally ignored the book, which makes me think I must have really hit them. I don't know if any book about creative free enterprise or the libertarian cause really has a chance.

I'm determined that I am not going to shy away from the real basic philosophical argument, that a free market is right because it's moral, and it's moral because it's right.

REASON: Have you received any favorable reviews other than Tibor Machan's in *Barron's*?

RINGER: Yes, there were 6 or 8—10 at the most.

REASON: Did you think when you were writing your book that it would be well received by intellectuals?

RINGER: No, mainly because intellectuals (and we are being very broad here in using that term) are by and large very petty. I was most concerned about the intellectual libertarians. I said that if they did not use this book in a positive way, as a chance to get to the so-called guy in the street with the libertarian treatise, they would be making a big mistake. So I was kind of concerned—more for them than for myself—that they might really try to nitpick the book.

REASON: What has been the response from libertarian intellectuals?

RINGER: Nothing much, really. And the funny part is that I got to the people I wanted to get to, although not as well as I would have liked to. That's the everyday guy who didn't know a heck of a lot about libertarianism. My letters have been like, "Wow, you really opened my eyes;" "I have never thought of that before;" "I bought ten copies and gave them away." It's really been a very overwhelming response. I got only one negative letter that I can remember.

REASON: You once said that there are 50 to 100 million libertarians out there if only we reached them.

RINGER: Did I say that? If I said that, I'm going to have to revise my estimate. I think there's only about 23.

REASON: How many hardbacks of *American Dream* have sold?

RINGER: I don't know how many are in people's hands, but the in print total is still 233,000.

REASON: And the paperback is due to come out when?

RINGER: In August.

My analysis of this thing is depressing news for libertarians and freedom lovers everywhere. What this has proved to me is that people are more apathetic, more hopeless, than I originally thought. I thought through the advertising campaign we could strike a chord in them that would motivate them to buy the book, and once they bought it they would be excited. I think that has happened to the people who have bought it. But the sales haven't measured up to the advertising, and this has led me to believe even more strongly that they are too hopelessly involved in Monday night football, Coors beer, and watching Charlie's Angels; that saving the country and their freedom, their children and grandchildren's freedom, is just too far out. They don't want to hear about it; they don't have time. That's a very depressing thing to me. I didn't think that it would be that pathetic.

REASON: Do you have any recommendations for effective means of spreading libertarian ideas?

RINGER: Well, as I said in the book, it seems to me logically the only possible way that we can win this battle of very long odds is through education of the young. But I don't know how to get to them. I couldn't get to them through a million dollars of advertising.

REASON: But don't you think that, while freedom may not be a household word, there are some positive cross-currents going on?

RINGER: Yes, there are. But while you're making one step forward over here, the collectivists are making a hundred steps over there. I think—I am just going to pull figures out of the air—that maybe the libertarian movement has gone from virtually zero to the point where it may be effective to some degree, at least in getting people to think—perhaps one percent of the population, which is tremendous growth. But in the meantime, the other 99 percent has gone from 20 to 30 percent collectivism to 50 or 60 percent collectivism.

I base this on what you read in the paper and what you hear people say when you talk to them. They start with certain premises that are collectivist. They never get to the basic arguments that I talk about in *American Dream* or that any good libertarian writer starts with. It's always, as I said in my speech at the Libertarian Convention, "But what about the needy?" After you have heard that question, you have heard the liberals' whole arsenal. All the rest is just frosting.

REASON: F. A. Hayek was asked, "Are you optimistic today?" and he said: "When I was a young man in the '20s, it was only the old men who were interested in freedom. And now as an old man I found once again that the young people are interested in freedom." If we survive the next 20 years, he thinks we are in good shape, because we will have a new generation by then. But the generation running the world today grew up believing that the government had to run everything, so he says the next 20 years are going to be hell.

RINGER: I don't think that the odds are very good that

we *will* survive another 20 years. And even if we do, I just don't see what Hayek says about the younger generation. I started espousing the libertarian freedom philosophy on a New York television show that had a live audience and almost a dead author. The audience was a group of students from some university called Jersey State or something like that. And it was really quite enlightening to me. First of all, it was enlightening because I got out alive. And second, it was interesting how, just as Ayn Rand wrote years ago—it was right out of her book—they hissed and booed on cue and in unison, and that was very discouraging to me. And when they came to the microphone and started asking me questions, I just wanted to say, "oh, please," and walk right out, because it was right out of a book, the same old tired questions.

You asked if I had any ideas on what might work. What we really need is a hell of a lot of money, big money. That's always the problem. And if I were in charge of spending the money, I think what I would do is find a way to get people like John Hospers, people like Sy Leon, who really, really can communicate these ideas to the guy in the street. If I had a billion dollars to spend, I would probably get people like that on radio, with one-minute or two-minute shows, and just try to inundate the public with the message. Because when you hear people like that talk, it's down on your level: it's simple, logical, and you say, "Hey, you know? That makes sense."

REASON: What authors have had a significant influence on your thinking?

RINGER: Well, of course, Ayn Rand. Eric Hoffer and Will Durant. Harry Browne—definitely one of the biggest. And John Hospers—his articles previously have had a great effect on my thinking, and I just recently read *Libertarianism.* That wasn't anything new, but I think it's the best book ever written on libertarianism.

REASON: In *Restoring the American Dream* you dive into a discussion of natural law on the second page of Chapter 1. Isn't this a bit heavy for a bestseller intended for mass consumption?

RINGER: Yes, well, I will disregard the word *dive*. It's funny—I thought I was on pretty safe ground, but from intellectual libertarians that discussion of natural law was most attacked.

The answer to your question is yes. From a commercial standpoint, I was concerned about starting out that way, because I didn't want to lose the reader. But I finally decided that we were going to have to start with step one, with some kind of basic premise.

REASON: In discussing natural law, you cross Rand and a good many other libertarian philosophers in stating that the "initial premise of any philosophy can never rightfully be classified as other than opinion."

RINGER: Ayn Rand's whole idea of Objectivism is that there's black and there's white and that's it, and there's no gray. I feel that I am more honest and objective—if you will excuse the pun. To me everything is an opinion. I think the reader will accept you better if you admit that it is an opinion. Who am I to say that natural law is this or that? I'm just saying, "okay, this is my opinion." But I don't see how I could honestly say that it's black and white. What if a person says to me, "In my opinion, every person does not have a sovereign right to his life. His life belongs to society as a whole." No matter how absurd I might deem that opinion, I know that he is entitled to his opinion. I may announce that every person should have sole dominion over his own life but I don't see how I can ever prove that as a basic truth. Am I missing something?

REASON: Well, there have been moral and political philosophers who have tried to make a case for right and wrong. And if it's merely a question of an opinion, where each person is entitled to his own, how can you say that a person who rejects another person's right to life is wrong?

RINGER: It is a tough area. C. S. Lewis rambled on endlessly about right and wrong. He said, "Look, people try to say that it's a subjective thing and all that, but we all know what we're talking about when we say something is right—it's something you feel!" Well, he was absolutely wrong, because I find that other people aren't talking about the same thing as I am when I talk about right and wrong. To me it's very simple: what's wrong is interfering in anyone else's life. But we all know that when you go to define *that* is when you start getting the differences of opinion, because there are millions of people walking around out there who think you are interfering with their life if you earn a million dollars.

REASON: You accuse economists of, as you term it, an unholy alliance with government, to promote their own financial interests. Yet some of the most compelling attacks on the welfare state today are coming from the ranks of academic economists.

RINGER: Well, it depends on who the economists are. As

If I had my choice of eliminating the social restrictions of the conservatives or the economic restrictions of the liberals, I would eliminate the economic restrictions first.

Murray Rothbard pointed out, the typical liberal economist has a real vested interest in this whole thing because there is no market for his services. I can't imagine what a Walter Heller or a John Kenneth Galbraith would do in a *real* free society. Perhaps they would be employable as dishwashers or garbage collectors, but certainly not in any financial capacity. By espousing the party line they have something to gain. They are called experts and are called to Washington and get to ride around in presidential planes and all that. But certainly libertarian economists *are* important, people like Hayek and Harry Browne—if you consider him an economist—Doug Casey, any of these people—sure.

REASON: You maintain that when government intervenes in the marketplace it violates the laws of supply and demand. While government can *ignore* the laws of economics, isn't it the case that no one can get away with breaking them or violating them? They always assert themselves.

RINGER: Yes, they do assert themselves, and when government won't give in and admit that they can't win in the long run, what you eventually end up with is a major collapse of the economy. As a matter of fact, I don't think that the Great Depression of the '30s has really ever ended. I think it's like a bad-smelling beast on which the government used a lot of deodorant, and all they've done through all of these shenanigans is cover up the depression with

this thing called false prosperity. And obviously commonsense economics tells you that this can't go on.

REASON: Why can't we just continue to get poorer, like Great Britain?

RINGER: Well that's an interesting question. I have thought about that a *lot.* Why can't we just go on and continue to run up the national debt indefinitely and eventually get to the point where inflation is 100-200 percent. If you study history you know what eventually happens. People stop accepting the currency. And when the currency is no longer acceptable, you have a major collapse. A baker isn't going to bake bread, because he would rather not even bake it than have your currency—it's not worth anything. So then the question becomes whether we are going to have a deflationary collapse or an inflationary collapse, and that gets kind of complicated, but we will have a collapse. To me it's an absolute certainty.

REASON: But this is not anything new for the government. And we do see countries like Britain that have been seriously infected with inflation, where people just get poorer. Sweden, which is much more interventionist than this country still seems to do relatively well. So that seems like evidence that there isn't going to be a collapse, just based on intervention in the economy.

RINGER: I don't agree with that. I think it's evidence that the producers of the world are really amazing. All that we have today—including the fact that we have not yet collapsed—is due to the producers of the world, people who keep on even though they are only keeping 10 or 20 or 30 percent of the fruits of their labor. But they can only go on so long.

I don't think that the Great Depression has really ever ended; it's like a bad-smelling beast on which the government has used a lot of deodorant.

REASON: Your approach seems to be that we need capitalism because without it, without rich people, the system won't function. But wouldn't it be more fruitful to turn the tables around, so to speak, and defend capitalism on the basis of what it delivers to consumers, rather than producers, vis-a-vis State socialism?

RINGER: Well, it's more clever, but as I said at the outset, I'm kind of getting real crotchety in my old age, and I don't want to appease people anymore. And just to alienate people, I'd rather stand up and tell them the truth. Look, the truth is, *it's moral.* It's *moral* to keep what you produce. And if you want to talk about benefits, after that I'll talk about benefits. But I'm determined that I am going to be one person who's not going to shy away from the real basic philosophical moral argument and that is that a free market is right because it's moral and it's moral because it's right. Just by sheer luck it turns out that our system also really *is* the best system for the greatest number of people. But I found that when I start to make that argument to people, try to educate them, we are really talking on two different wave lengths. And they're sitting there thinking, *Okay, your system is going to see to it that we are taken care of better than the other system.* And I feel almost like I'm misleading them.

Edith Efron argued once in a column in REASON that you shouldn't make an alliance with the Black Panthers on the left simply because they happen to be a group who is also against government. I kind of agree with her there. And I think that libertarians have had a tendency to take in any group that is against government and say, "Okay, let's all hold hands and form an alliance here—and after we overthrow the government, *then* we will worry about who's right." I think that's kind of dangerous. I'm a long term thinker, and I'm an honest person, and I would rather approach people on that basis.

REASON: Your position seems to be based on a very strong link, found in all of your writings, between "virtue" and "your market value." If you are a moral person, you will go out and earn a living and make a lot of money, and the people who make the most money are the most moral from the standpoint of what this morality is. An economist like Hayek, on the other hand, argues that under a capitalist order there is not nor should there be a necessary connection between *merit* and *market value.* That is, baseball players ought to be able to earn more money than fine artists *if* the consumers are willing to pay it—if they satisfy consumer demand better than other people—and if resources *should go*—which is the normative judgment that Hayek and other economists are willing to make—to where they best satisfy the consumer. So for Hayek, the important thing about a capitalist system is not these people who are so valuable, quote unquote, to consumers, that they get money. That is not nearly so important as the fact that consumers are able to exercise *their* free choice in getting what *they* want. And it seems like that's a much more powerful argument, not only in terms of its persuasiveness, but just in terms of the analytical value of it, and because of the fact that it is the truth.

RINGER: (*A*) I think it is the truth. (*B*) I think it is a moral judgment on his part that the consumer getting what he wants is a greater moral purpose than the person getting to keep what he earns. In *my* opinion, the greater moral purpose is the person getting to keep what he earns, because he is keeping his own life.

REASON: Let's go back to what you said about forming alliances. What about the area of education, for example, where there are groups that are against busing and may be natural allies for libertarians, who have a much broader objective? Or what about libertarians who want to work with liberals or socialists to fight the draft?

RINGER: I would just caution people who want to do that to go very, very carefully, because we formed an alliance with Russia during the Second World War, also. And I have a kind of a simplistic view of human beings—most people are either basically evil or basically good. And informed liberals are basically evil, or a simpler way to put it is, they're mean. As a friend of mine would say, to be a really informed, hard-core liberal, you have to have a basic meanness to you. And I really worry—I have a policy in business that you may remember from *Winning through Intimidation*: Never sleep with big dogs because you get big fleas. And you jump in bed with a liberal on an ad hoc basis on one issue, and in the long term you may lose more than you gained.

REASON: What about forming ad hoc alliances with conservatives on issues like reducing taxation or tax credits or schools?

RINGER: I don't have as much of a problem with conservatives. Mostly they seem to be more well meaning than

liberals.

REASON: Generally it's conservatives who are in favor of imposing vast constraints on individuals' private conduct. Don't you think that many conservatives have big fleas themselves? that they really basically reject the notion that people should be free to live their own lives as they choose as long as they don't infringe on anybody else's rights?

RINGER: Yes. This will be misinterpreted and I will be sorry I said it, but if I had my choice of eliminating the social restrictions of the conservatives or the economic restrictions of the liberals, I would eliminate the economic restrictions first. Because at least we would have a very prosperous, economically healthy society. And then I would try to start attacking the restrictions on personal freedom. You see, the problem is that if a society collapses economically, an anything-goes attitude develops, and you end up with all kinds of restrictions on your personal life anyway. So it's a matter of which is most important. I think that the restrictions that the conservatives want to impose—in fact have imposed over our personal lives—are bad, and I think they have to be dealt with. But I think on a scale of importance, the economic restrictions are even worse, if for no other than practical reasons.

REASON: In your book you said, referring to Uncle Sam, that he has made the people "too healthy, too wealthy, and too wise"—seemingly an endorsement of government poverty programs. But haven't these programs actually been a flop?

RINGER: Yes, they have, in terms of a long-run solution to poverty. But I said that government has done too good a job of the redistributing the wealth and there are no poor anymore. That's true and it's not true. It's true the same as it's true in Communist Russia. Giving them their due credit, they eliminated the really bad poverty and brought most of the people to a level of equal misery. But I think now we have pretty much of a stagnant society. It's harder and harder for people to rise up. What the government did is create a huge middle class. And that's where the government has the problems today—the rebellion of the middle class.

REASON: The government's responsible for that?

RINGER: Well I think so, yes. Because I keep seeing factory workers driving up next to me at street lights in their new cars and thinking they have three color television sets at home and children in college. And it all sounds very wonderful and right, except I keep wondering how they got all that. They got it probably through government-enforced union laws that have given them an income higher than what a free market would pay them. And what it is—it's the phrase *false prosperity*. It may look good to a liberal that they have all these things, but they are living off of money that has never been earned. And eventually that bill has to be paid.

The one thing out of *Brave New World* that always sticks in my mind is that the whole approach was to give people economic security. That's why the average person couldn't care less about a book like *American Dream*. If you asked them right out, most people would probably say "Yes, I'm willing to give up my freedom. It doesn't mean anything as long as I've got the nice house, cars, television sets, the travel." But there's a kicker to it that they don't understand, that they are going to wake up one morning and it's all going to be gone—and so is their freedom.

REASON: The notes of pessimism that you have indicated here seem to stem somewhat from disappointment in how your book has done. Is that basically what leads you to have a more dismal outlook as far as the prospects for freedom?

RINGER: Yes. I wouldn't say that it is a lot more dismal. When I wrote the book my attitude was, I am going to give this thing a try and see whether it's possible to reach the average guy. So I didn't go into it with grandiose hopes. And although the response of those people who have read the book has been gratifying, and the sales are great enough to have made it a big bestseller by normal standards, it reinforced my feeling that we have a real, real problem—maybe an impossible task—in trying to reach the masses in general.

REASON: Do you think that your first two books were more successful because they came out when the public was receptive to the notion of self-improvement books, self-awareness books, whereas *Restoring the American Dream* was several leaps beyond what the public *anticipated*?

RINGER: I don't know. I thought, and a lot of other people thought, the timing was perfect on this. Because they said people are just starting to rebel, Prop. 13, tired of big government, and all that, so I thought the timing couldn't have been better. I think it showed that when push came to shove people were not interested enough to actually go to a bookstore and shell out $12.50. Deep down in my fondest dreams I was hoping that this book would sell a million copies in hardback, becoming one of the biggest sellers of all time. I wasn't counting on it; I didn't really expect it; but I was hoping that maybe that would happen. The timing is so perfect, people are so riled up, inflation is so bad, they are looking for the answer, but those ads did not tell them how they were going to personally enrich their lives immediately. Those ads—no matter how I tried to color them, the fact that it was a philosophical book came across.

There are millions of people walking around out there who think you are interfering with their life if you earn a million dollars.

On my next book, I'm going to go back to being commercial, and I'm thinking of writing something which tells how you can make it in the '80s. It's got to be *you*—you, you, you, you, you. Every sentence is going to be something that will help you. And then do what I did in *Looking Out for Number One*—very cleverly weave the libertarian philosophy throughout the book. It's like I'm saying to them in my very hostile way, "Okay, you sons-of-bitches. You want the Fonz, you want NFL football, you don't care about America dying, you don't care about freedom, you just want to know what you can make today—I'll give you your shit. You want crap, I'll give you crap. But in order to get the crap, you are going to have to read the good stuff, because I'm going to weave it in between the paragraphs. And libertarians knew when they read *Looking Out for Number One* that I was a libertarian.

REASON: Why don't we call it a day? We want to thank you for your time, Bob.

RINGER: Sure. ◻

The Breakdown of Detente

viewpoint

Bang. The end of the world.

Even before we attained the capability of mass destruction, our ancestors were certain we were headed for it. Whenever there was an eclipse or a comet passed or some half-baked numerologist cast a spell on the first of February, a considerable portion of the population agreed that, yes, this is it, the end of the world.

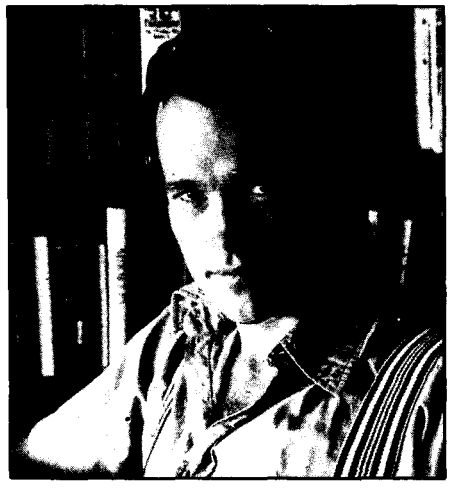
In the year 1806 a fellow in Leeds, England, plunged the surrounding community into panic. He advertised that his hen was laying eggs on which appeared in good English, "Christ is coming." Multitudes visited the henhouse and examined the marvelous eggs. Sure enough, they said "Christ is coming." Everyone was terrorized, expecting the earth to end momentarily. Not until some cynic investigated did the panic subside. A close examination revealed that the eggs had been inscribed with corrosive fluid and then crammed back into the chicken's body. The animal lovers were appalled. But the vast majority was relieved. Humanity had escaped another scare of destruction.

In this respect, our ancestors were at a considerable advantage over us. Their panics were concentrated into a few days, and their causes were purely imaginary. Today, things are different. It isn't the wrath of God that we fear, but mathematical probability (multiplied exponentially by each fall in Carter's popularity poll). Between Iran and Afghanistan, odds seem to favor some government blowing us all to smithereens.

Several years ago, before the latest run of frightening news, someone tried to quantify the risk of nuclear destruction. He calculated the number of nuclear weapons, factored in consideration of failsafe devices, and computed the number of madmen at or near a nuclear trigger. He then fed the resulting data into a computer—which concluded that we all should have been blown up in 1967.

Whether the fellow who made that calculation was a charlatan hardly matters. We can't shrug and forget as the folks in Leeds did in 1806. Our threat of obliteration has no end because it is not focused upon a single event. Whether the hostages escape, whether Carter is reelected, our danger will presumably be protracted as long as we live. The result is that we are not terrorized, but numbed.

As time passes, the natural human reaction is to tire of the whole thing. Our fallout shelters have grown over and fallen into disrepair. The accumulated civil defense rations are too stale to eat. If we are running to the hills, it is not to prepare for the worst but to get away for the weekend. And all this has consequences. The Cold War, having anesthetized our senses, is in constant need of being heated up in order to reach the threshold of public attention. And attention is what is desired by political leaders. Like prophets of apocalypse during times past, they profit from the increased power and prestige they obtain by manipulating public fears.



James Dale Davidson

In ordinary times, keeping fear alive is a job for men such as former Defense Secretary James Schlesinger, sometimes known as "Dr. Doom." He and others have tried to ignite a debate over the survivability of nuclear war. That's not necessarily a silly thing to think about, but a frequent conclusion of those prone to such thinking is. Dr. Schlesinger suggests that we consider seriously the prospects of "limited" use of nuclear weapons and proposes that under certain circumstances the United States should be the first to explode them.

Whatever has been said in public reflects a growing private enthusiasm in Defense circles for actually using the deadly weapons in our nuclear arsenal. (The conventional weapons, as the Iran rescue mission suggested, may not work.) Former Adm. Elmo Zumwalt privately told attendees at a Boston conference on defense strategy that limited nuclear war may be desirable in the near future. Among his points, shared by Pentagon analysts, is that improved weapons technology has made nuclear war far cleaner. According to one estimate, as few as 800,000 Americans might be killed in a limited nuclear exchange; other estimates place the number of fatalities as high as 22 million. Either way, there would be millions of terrorized survivors.

These calculations assume an almost friendly restraint by the leaders of the United States and Russia in striking only at tactical targets, such as missile installations. It is well known that either side has enough nuclear weaponry to obliterate most life on earth. But that very excess of power may make the weapons unusable. Even the "winners" in an all-out war presumably would gag on the fallout from their own bombs. Hence the efforts to negotiate strict limits on the deployment and use of nuclear weapons, efforts that may have enhanced the prospects for *limited* nuclear war—war that might serve political purposes in both camps.

The leaders of both Russia and America have a tremendous vested interest in remaining enemies. It rationalizes diversion of greater resources into military spending and keeps the populations in both countries lined up in support of the respective governments. The more frightful each government seems—and both Carter and the Politburo seem pretty frightful now—the better it is for the other. A limited nuclear war would be a social shock sufficient to snap almost everyone to attention. If people knew not just that Afghanistan had been scorched but that their neighbors, friends, and relatives had been nuked by the enemy, the Cold War could be revived with an unparalleled intensity.

The ultimate irony of detente may be that it is (or was) not the opposite of the Cold War but its salvation. Whatever becomes of the complicated agreements, including SALT I and II, concluded with the Russians, the world is not likely to be any safer. History shows that complicated foreign policies inevitably break down and then, by their breach, serve to justify hostilities.

It is not safer to trust the rulers of two powerful governments, working together, than it is to trust one. In reality, it is safe to trust neither. And only a spread of that realization can limit the dangers of war by bringing nearer the day President Eisenhower predicted, when "the peoples of the world will shove aside the governments of the world and declare peace."

Jim Davidson is founder and chairman of the National Taxpayers Union. His latest book, The Squeeze, *was published recently by Summit Books.*

spotlight

Cable News Upstart

By Patrick Cox

en-tre-pre-neur. A person who organizes and manages any enterprise, especially a business, usually with considerable initiative and risk.

Ted Turner comes out of the south like Rhett Butler at the helm of one of his gun-running pirate ships. The mustache is a carbon copy of the one Clark Gable wore, and his two sons by his side are named Rhett and Beauregard (his wife wouldn't let him name their daughter Scarlett). He has invaded the domain of the networks' oligopolistic control of sports and promises to do the same now with news.

Turner's 24-hour, all-news network was set to begin service on June 1. The Cable News Network (CNN) will provide detailed analytical coverage of breaking news and important issues to an initial audience that could be four million subscribers. The "big three" networks all publicly scoff at the hint of any real threat to their control of the market. But if past performance is any indication of Turner's entrepreneurial expertise, they may be whistling in the dark. Turner is a producer, and proud of it.

He gives most of the credit for his success to his father. Old man Turner is certainly the mold for the flamboyant, straight-shooting, and sometimes noisy "mouth of the south." Before Ted left his academic career unfinished at Brown University, where he majored in the classics, he had a letter from his father published in the school paper. Turner Senior called Aristotle and Plato "old bastards" and ended the letter: "You are rapidly becoming a jackass, and the sooner you get out of that filthy atmosphere, the better....You are in the hands of the Pharisees, and damnit, I sent you there. Devotedly, Dad." Turner concurs today, "The economics department at my school would have been better placed in the Soviet Union." As a child, Turner's father required him to read a book every two days. When he began digging post holes for his father's billboard business, he was required to pay half his salary back as rent.

After his father's death, Ted, at age 24, took over the family's failing company. Refusing the advice of his father's financial advisors to sell the business, which was $6 million in debt, he hired additional sales people, reworked old contracts, and turned the business into a success. His success has continued. Turner Communications has become a conglomerate of impressive proportions. His UHF "superstation"—Atlanta's WTBS Channel 17—is fed via satellite to 7.3 million cable subscribers in 48 states. The fare includes movies, sports, reruns, and BBC programming. He owns 30 percent of all television rights to the old movies seen in the Western world. He owns several billboard companies and satellite cables (WCTG-TV in Atlanta and WRET-TV in Charlotte). His connection with the Atlanta Braves and several other baseball and basketball teams is legend in the world of sports.

The Cable News Network could change the meaning of news broadcasting; Turner hopes to change the face of America. Mixed in with the profit motive is Turner's belief that one of the major reasons for the loss of dynamism in the American econ-

Ted Turner

omy and the misdirection of American politics is basic human ignorance of what's happening. Turner told REASON, "It's pretty hard for the networks to screw up the news when it's only 22 minutes long, but there's an emphasis on the sensational because the networks compete head-to-head for ratings."

Daniel Schorr, formerly of CBS News, who will be Turner's senior Washington correspondent, thinks Turner can make CNN work. "He's convinced that the networks are waiting to be taken," Schorr said, "and he's putting his money where his big mouth is."

Perhaps the achievement that reveals the most about Turner is his winning of the America's Cup in 1977 with his yacht *Courageous*. The America's Cup is more than the Super Bowl of sailing; it is a truly worldwide competition of yachting's fiercest elite. Industrialists and royalty alike have squandered fortunes trying to capture the America's Cup without success. And Turner took it.

There is no profit in that kind of sailing—only the knowledge of achievement. For all his material gain, Ted is not a materialist. He believes people should produce in order to be producers. "True happiness comes from trying to be great—a great writer, a great executive, a great sailor. If you try to be the best, you'll be a whole lot happier than someone just trying to make a lot of money to have a lot of things."

His personal philosophy is as colorful as his lifestyle. The stories you may have heard about Turner putting "WHO IS JOHN GALT?" on his companies' empty billboards is true. "I did it not only because I think *Atlas Shrugged* is a book that should be read by every thinking person, but it was good for the sign company. The billboard was simple black and white. You know, they say, 'When everyone is shouting, a whisper is heard.' It attracted attention. It was good for business."

Libertarians may have been disappointed when Turner testified in favor of some regulation of the airwaves, but it may have been in self-defense. "The FCC is in the process of realizing there's not enough networks," he explains. "The FCC wasn't the trouble. I had to fight the broadcasting establishment. The three networks lobbied and did other things to keep out cable. It was a very close battle; it's still going on. They are very powerful. General managers of television stations can really affect politicians at election time. They depend heavily on coverage." One hopes that he realizes that lobbies would be ineffective if government did not control the airwaves.

About the state of the world, Turner says: "We are in the process of squandering the greatest form of government, the greatest prosperity the world has ever known. Half the world is communist, on the verge of a dark age, and we are in danger of falling into it. Our freedom of thought and speech is threatened, and a lot of the blame goes to the media—primarily television, for its failure to deal with the problems."

What would he say to those who point out the immensity of the task of changing the minds of a whole country, of educating masses that don't seem to want to be educated? In my mind, I think I can hear him say, "Frankly, my dear..."

Patrick Cox is a free-lance writer.

taxes

The Home Office Ploy

By Tim Condon

You're a productive individual, right? You don't ride on the backs of working people by taking food stamps or other welfare handouts from the pig bureaucrats. Well, if that's the case, here's some good news about another "people's loophole" that seems to be widening.

Most of us in the tax business remember back before the 1976 tax "reform" act was passed, there was a dandy little deduction that lots and lots of people could take advantage of. That was the venerable "home office" tax break. If you used part of your home for your business—for instance, if you brought work home from your place of business and burned the midnight oil to get the stuff done—then you could take a deduction for part of the cost of owning and running your home, since part of that home was used for business purposes.

Well, the '76 tax act ended all that. As usually happens with these kinds of things, when the people's loophole becomes popular enough to attract the attention of the IRS commissars, then something bad is bound to happen soon to the tax break. So it was when the '76 act was passed. Since the home office deduction had become so popular, the people who serve in Congress were convinced by the IRS that this one had to end. And end it did.

Today the law—the Revenue Code, section 280A—says basically that no deductions will be allowed for office space in a building that is *also* used during the year as a taxpayer's residence. A few tiny, little exceptions were thrown in, as is usual in cases like this: you can take a home office deduction if you're self-employed *and* you use a portion of your home on a "regular" and "exclusive" basis (1) as your principal place of business, or (2) as the place of business where you meet or deal with "patients, clients, or customers" in the normal course of your business, or (3) there's a totally separate building, not attached to your regular residence, and it's used in the normal course of your business.

In the case of *employees*—the *real* target of this deduction-destroying law—the above tests have to be met, *plus* the business use of your dwelling has to be "for the convenience of" the taxpayer's employer. That is, your employer has to *tell* you to do the work at home and for some reason that makes it more convenient for *him*. Oh well...

Well, the first major interpretation of that law has now come down from the US Tax Court. And indications are that the law is at least going to be construed liberally. In this instance, the *E. R. Curphey* case, it seems there was a doctor who worked full-time at a local hospital. In addition, he owned and managed six rental properties. One of the bedrooms in his two-bedroom condominium was used solely for bookkeeping and phone calls and the such, dealing with the management of those rental units—and when they say the use has to be "exclusive," it means just that: no guest beds, no toy storage for the kids, no workshop on the side for your hobbies.

Now, the IRS conceded that the room was used by the good doctor on a "regular and exclusive" basis, but they denied the doc's deductions by arguing that the rental management activities weren't *really* a "trade or business." And even if they were, said the IRS, the hospital the doctor worked at was his "principal place of business," and you can't have two principal places of business at the same time!

To its eternal credit, the Tax Court came back with the following observations:

- The good doctor's activities *could* be called a "trade or business," because they were sufficiently "systematic and continuous" to be looked upon as a business. But take note: the court also agreed with the IRS that if something is done "merely for the production of income" (like investing in the stock market), then it won't be characterized as the all-important "trade or business," and no home office deductions will be allowed.
- Under section 280A of the code, the word *principal* does *not* mean "exclusive." Thus, for home office deductions, a taxpayer may have more than one "principal place of business," where he has another separate business entirely. In this case, the doctor's first "principal place of business" was at the hospital; the second, having to do with his rental property business, was based at his home.
- Since the taxpayer has two principal places of business, and since the Revenue Code says that transportation expenses incurred in moving between two places of business are deductible, the costs of driving between those two places are deductible and *not* commuting expenses (which are *not* deductible).

The general thrust of this important decision is that the Tax Court is going to generally go easy on construing the negative terms of section 280A, and that has just *got* to be good news for us taxpayers, forever being squeezed among government-caused inflation, government-passed tax laws, and a voracious government-created tax-collection bureaucracy.

Tim Condon is a tax lawyer currently practicing in Florida.

Coming Next Month:

Three Mile Island: The infamous accident in March 1979 was created—but not by the cast of characters pilloried by anti-nuclear activists. Follow the leads of our detective, and find out who the real villains are.

Business-baiting: Democracy is as American as Mom and apple pie, right? So who could be against *corporate* democracy? Well . . . anyone who doesn't want to return to feudalism.

Toads versus people: Some people like to race motorcycles in the desert, spadefoot toads like to live in the desert, and a lot of conservationists think it's got to be either-or. But how well do they know the desert?

The license to license: Many people sincerely believe that, if doctors and dentists weren't licensed, quackery would run rampant—and the only thing this may show is how successfully the AMA convinced Americans that licensing was necessary.

Slavery: It's the ultimate in socialism, and it's the vision of those who would require doctors and lawyers—and then everyone—to spend time in service to the State.

Plus Alan Reynolds's Viewpoint; Steve Beckner's Money column, on hard money versus dollars; John Hospers's movie reviews, and all of REASON's regular features.

arts & letters

movies

- **All That Jazz**
- **Coal Miner's Daughter**
- **Luna**
- **Starting Over**
- **Hide in Plain Sight**
- **The Fog**
- **Don't Answer the Phone**

Reviewed by John Hospers

• There are several noteworthy features of **ALL THAT JAZZ:** all the sequences are done with verve and panache; the action is continuous, rapid, and breathless, and the interlacing of the present with the past is often cleverly done; and the number of distinct scenes per minute must exceed that of any other film within memory: a scene in the hospital (involving heart surgery) in which the protagonist expresses love for his current girl friend cuts away to a scene outside the hospital in which she asks him whether he is sincere and he says, "I don't know any more where the sincerity ends and the bull-shit begins," which in turn cuts away to a dance sequence with him in charge in which a hospital scene is depicted, whereupon he, apparently satisfied with the sequence, looks upon his own reclining figure in the hospital soliciting approval from himself—all this within the space of half a minute or so. And so it goes on, nonstop, the furious pace of the film matching the furious pace of his life, leaving no time for the viewer to reflect or digest the meaning, if any, of what he has just seen.

It is, of course, a story of the life of Bob Fosse, who wrote, directed, and choreographed the film. Doubtless it was—for him, at least—a noteworthy autobiographical piece. But whether an audience would enjoy the celebration of his life story as much as he would surely depends on the audience. There is an old saying, "Self-expression is self-exposure," and for my money he gave himself too much exposure in this one. The music is totally undistinguished, and rapidity and raucousness do not convert boring melodies into memorable ones. The monologues are consistently unfunny and don't deserve a place even among the rejects of the Gong Show. There is a long dance sequence, supposedly quite daring in its near nudity and erotic character: the near nudity is unobjectionable, but the sequence itself is unimaginative and a meaningless hodgepodge of silly poses and conflicting styles. If you have ever seen the Martha Graham dancers work imaginative wonders with a slender story, touching the emotional jugular from numbing terror to unconquerable nostalgia with a few facial expressions and graceful movements of human bodies, you will find it difficult to endure the crude and artificial mishmash of mannerism-without-feeling in the dance sequences of this film.

I remember seeing (many times over) Martha Graham's great dance *Clytemnestra* on the stage. Not having been moved as fully as I thought I should have been by reading the Greek tragedies themselves, I found myself so deeply affected by the Clytemnestra dance that I thought to myself, "*This* must be for modern audiences the emotional equivalent of what Greek audiences experienced when they witnessed performances of the dramas of Aeschylus and Sophocles." One left the theater feeling purged and emotionally cleansed; but no such purgation of the emotions occurs in this film: it is put together out of stock devices, bits of clever make-do, and huge gobs of sheer flim-flam. The mind turns from it with revulsion at serving the cause of art so poorly. It's the sort of desecration of art that one observer, at least, wouldn't cross the street to see, much less pay an admission price of $4.50 for the privilege. To each his own, of course—but if you have once enjoyed a carefully prepared and tastefully served gourmet dinner, it isn't easy after that to be satisfied with a hamburger at McDonald's.

• The **COAL MINER'S DAUGHTER** has some good things going for it: Sissy Spacek and Tommy Lee Jones in the richest acting roles of their careers and some fine emotion-building scenes in the Kentucky mountain country (post-World War II), the background in which the first half of the film is set. The scenes between the girl and her father are extremely well done, especially when the suitor comes home from the army to spirit her away; and others, like the wedding night, are fine comedy, not played for laughs but enacted in such a way as to trigger the viewer's nostalgia button. Director Michael Apted has a fine eye for telling detail, and like other British directors he uses it to paint a more incisive picture of Americana than most American directors do.

It is in its long second half that the film drags. She becomes a successful country music singer, and much of the second half is one song after another (none of them very good). The transition from the people of Appalachia, whose courage and pride we come to admire, to the tawdry world of show business, is rather abrupt, and the film never evokes a strong sense of life after it leaves its original mountain setting. It concludes with no particular events at all: instead of rising to some kind of conclusion, it simply drains its energies bit by bit into the sand. If only the ambience of the first hour could have been sustained, it would have been a tender and richly comic film.

• The word *luna* is, of course, the Latin word for "moon." A lunatic is one who has been touched by the moon. And 365 days is, I daresay, a Grand Lunatic Year.

But it doesn't take that long for Italian director Bertolocci's new film to exhibit its lunacy. *The Conformist,* his finest work to date, was a powerful and scathing exposé of Italy under Mussolini, in the grand tradition of Rosselini and De Sica. His more recent *1900* was four dreary hours of dogmatic and stodgy communist propaganda. In his most recent revelation to the world, **LUNA,** we are in a still different universe. The film begins with pictures of the moon but is otherwise more concerned with human lunacy.

The parents are too concerned with their careers to bother very much with their teenage son. When the father dies suddenly, the mother (Jill Clayburgh) transports the son against his wishes from New York to Italy, where she resumes her operatic career and leaves him to his own devices. There is a powerful scene in which she discovers that he is a junkie. After a round of indignation and self-recrimination (from "How could you?" to "Where did I fail you?") she corrals supplies of heroin for him so as not to lose him entirely. Finally, in the process of getting him off the habit, she eschews the company of other men (the son is jealous, you see) and has incestuous relations with her son, thus assuring him of her undying love. To cap it all, his biological father appears, and all is resolved during a massive outdoor opera rehearsal (Verdi, of course).

There is a grain of psychological truth in the relations depicted; but as to the way the details are worked out, I doubt that any clinical psychologist would credit the characterizations as anything but fantasy, revelatory less of reality than of the writer's unconscious desires. Incest has been treated in film before—with restraint and plausibility in the French film *Murmur of the Heart*—but not as a cure for either heroin addiction or alienation of parental

affection; nor am I acquainted with any therapists who recommend it for these purposes.

Another starring role by Jill Clayburgh occurs in **STARTING OVER,** a much less ambitious film and greatly superior. Clayburgh's role is more believable, calling for subtle nuances of feeling rather than histrionics, and it is a role so well played that one feels only she could have played it. We have also a new Burt Reynolds (I couldn't stand the old one), with a grace and poise never before shown. The chemistry between them is very involving, as is the role of the ex-wife (Candice Bergen). But first honors go to writer-producer-director Alan Pakula for his remarkably lean, tight, succinctly expressive script. Even his *Klute* was not as finely honed a job as this.

The story is an old one, seldom so well told. With a divorce pending, the man is footloose and unhappy. Dates and one-night stands don't suit him, but when he runs across That Someone the magic begins. But she has been badly hurt and doesn't want to be courted on the rebound. Meanwhile, the wife, still in love with him, exerts her attractions again, and the things that separated them seem less important now; but she hasn't changed, and.... Like *Kramer vs. Kramer,* it is a small-scope, down-to-earth drama, every detail hitting home, gathering its momentum slowly and cumulatively from one well-wrought scene to another, until it weaves a powerful spell. It may not make you feel "This is the way life ought to be," but it etches out in sharp and telling strokes one aspect of what life is.

• James Caan has long been an able actor, and his new film, **HIDE IN PLAIN SIGHT**, is his debut as director. As a first directorial job, the film is amazingly good, and parts of it strike chords of human sympathy that run very deep.

The film is based on a true story. Caan, a factory worker in Buffalo, New York, a divorced man who can see his children only on weekends, gets caught in a web not of his own making. His wife's male friend is induced by the Mafia to commit a bank robbery, and he turns state's evidence in return for immunity from prosecution and the promise of a new identity and a new life in another state—provided that he marries Caan's ex-wife at once. Immediately after the trial, he is spirited away by the FBI to avoid being killed by the Mafia, and his new wife (Caan's ex-wife) and the two children go along. All Caan knows is that his children have disappeared, and no police or detective will touch the case. The film concerns his heartbreaking attempts to recover his own children in the face of the unwillingness of the law to provide him a single clue.

This film evokes as much antigovernment sentiment as *Capricorn One.* "I always loved my country," Caan shouts in court as his umpteenth attempt to find a clue to his children's whereabouts is frustrated by the authorities. A simple man full of homely virtues, with no trace of guile and no tendency to see it in others, a man of raw courage and rugged idealism, he is gradually embittered as the immovable wall of the law refuses to budge and repeatedly stops cold his every attempt to find his children. Discouraged and frustrated, he finally takes matters into his own hands, and the denouement is both exciting and moving.

On reflection, however, it is less than clear that this can be construed entirely as an antigovernment film. The only way for the FBI to obtain testimony against the Mafia leaders is to render immunity and a new name to the accomplice who turns state's evidence, and his disappearance from the scene is the only way to preserve his life. The abduction of the children along with the mother and her new husband was unintentional: the children just happened to be with the mother at the time the law kept its promise to the Mafia accomplice. The FBI regretted this consequence but was still bound to preserve the anonymity of the man and his new family. If one condemns the law for this, one must also condemn it for providing the only way in which members of the Mafia can usually be arrested and tried.

Yet at the end, the fact that the man spent years of his life searching for his children seems much more important to us than the fact that the Mafia leaders were brought to justice. The man will bear the scars of his suffering to the end of his life, and so will the children; but the Mafia leaders who were identified and imprisoned are already free to continue their activities.

• Why is it that John Carpenter's *Halloween* was so effective and that his newest film, **THE FOG**, is so tame by comparison? Many of the same ingredients are there: sudden attacks when you least expect them, nothing at all when you do expect them, violent hands leaping out of the dark and killing suddenly and savagely.

But there is a difference. *Halloween* was permeated by the contrast between a sleepy little midwestern town and the presence (known to the viewer but not as a rule the victim) of a maniacal killer in its midst. We imagine ourselves in the little town victimized by an escaped killer. In *The Fog,* by contrast, the events occur along the seacoast of northern California (filming was in Inverness, California), where fogs, though not quite this kind, are expected, and the atmosphere is already somewhat eerie and mysterious. The plot of *The Fog* is so incredible that it seems unreal: a ship went down many years ago in a storm because the lighthouse was not visible, and now, at midnight, exactly 100 years later, the ghosts (or reanimated bodies) of those who sank in it arise from the sea bottom to avenge their own deaths (though in the film they are very much alive). Moreover, there is a regularity that soon approaches monotony: whenever the white luminous fog moves in, the dead(?) seamen always appear, with four knocks on the door, to mutilate whoever greets them. It all seems absurd and motiveless.

There are scary moments all right, and Carpenter's ability to deliver a bit of unexpected terror is occasionally in evidence. But it is difficult to care very much about the paper-thin characters or to swallow the ridiculous presuppositions of the whole tale. Carpenter has a very considerable talent, but it would be much more effectively used if he stuck to the real world or some reasonable semblance thereof.

• The title, **DON'T ANSWER THE PHONE,** is applicable only to the first of many gory incidents in which various girls (always living alone, of course) are forcibly stripped of their clothing, beaten, raped, and strangled to death by as repulsive a Hulk as has recently been encountered on the screen. Other incidents in the drama could be called "Don't answer the doorbell," "Don't stay in the house," "Don't get into a car," "Don't walk alone on the street," and so on, *ad nauseam.* The film is not only dull and completely predictable (a documentary of the Hillside Strangler at work, if one were available, would have been more exciting than this); it is also exploitative in the crudest possible way, with copious servings of nudity and sadism to compensate for a total lack of imagination in the telling of the story.

Worst of all perhaps is the simplistic pseudo-psychoanalytic account of how the killer got that way (what his parents did to him, what his father expected of him), all uttered, no less, by the killer himself in a series of monologues while lifting weights in front of a mirror. The last person to bring his motivation to a conscious level would be the person himself, from whom his own real motives would be hidden under a web of rationalizations too painful to surface—unless, to be sure, the viewer were to get some "anti-realism" signal such as Eugene O'Neill employed in *Strange Interlude,* by having his characters speak their real motives *sotto voce,* to indicate to the audience that it's their unconscious minds speaking. In this film there isn't even enough imagination to dream up such a device, and so we are fed a verbal account of the most deeply repressed conflicts from the man himself, almost as if he were his own analyst. Crime was never so dull as this.

John Hospers is a professor of philosophy at the University of Southern California. His special interest is the area of aesthetics.

books

Well-taught

Economics in One Lesson.
By Henry Hazlitt. New Rochelle, N.Y.: Arlington House. 1979. New edition. 218 pp. $8.95.

Reviewed by John Chamberlain

There are two ways of getting goods. One is to produce them, submitting them for exchange for other goods. The other is to take them away from the producer. The study of economics should, properly considered, concentrate on the first way. But the refinements of the art of theft have become so complicated in the age of the transfer payment that economics itself has become submerged. The trick has been to confuse confiscation with charity, giving robbery the gloss of ethics. Once the money set in motion by a transfer payment has passed through its third or fourth hand it has been thoroughly laundered—and all pretense that there can be a "science" of economics is lost.

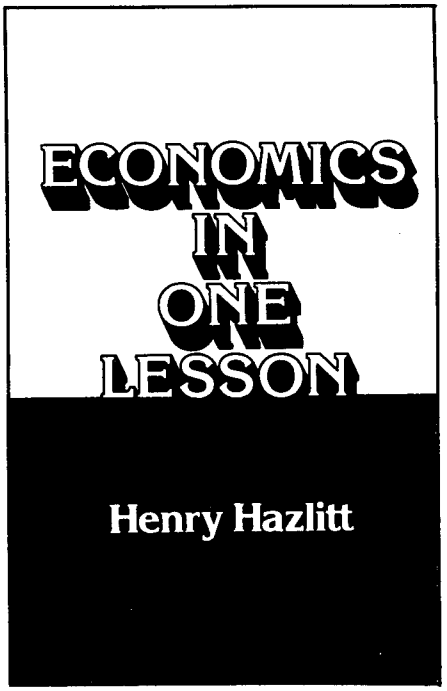
Still, one does the best that one can. Thirty-four years ago Henry Hazlitt, in his *Economics in One Lesson*, said the art of economics (he called it an art, not a science) consists in looking not merely at the immediate but at the longer effects of a policy. To bring home his point Hazlitt fell back on Bastiat and the fable of the broken window pane. The immediate result of a hoodlum's act of vandalism would be a profit for the glazier. The money coming to the glass business would go round and round, and where it might stop nobody could predict. But meanwhile the shopkeeper would be forced to forgo the new suit he had meant to buy. The glazier's gain would be the tailor's loss.

What the glazier receives as the result of a broken window is really a transfer payment of the tailor's cash. Government does not rely on destruction to set a transfer payment in motion, whether by taxes or inflation, but the end result is the same. In the case of the glazier, replacement (the glass pane) is substituted for new production (the tailer's suit). The government, of course, replaces nothing, but no new production comes from its act of confiscation. Say's Law (that production creates its own purchasing power) goes on working, but the man who gets the existing goods is not the man who brought them into being.

Economics in One Lesson was—and is—designed as a primer. The new edition brings its statistical references up to date and adds a rueful chapter, "The Lesson after Thirty Years." The irony is that, cogent as the original book was, Mr. Hazlitt is still reduced to looking for hope in the future. But his time has not been wasted. His thinking has had a permeative effect; and when the ultimate inflationary crisis comes, it will be his disciples that pick up the pieces, as the disciples of Ludwig von Mises and the Austrian school did in West Germany in 1948.

Meanwhile, in tracing the secondary effects of all the substitutes for Bastiat's brick-heaver who have dominated our economic policies since 1933, Hazlitt's book remains the best on the market. It gets behind the monetary veil of inflation to show that buying power is wiped out to the same extent that productive power is wiped out. If you take from one man to give to another, you discourage production. Say's Law, a truism, teaches us that supply *is* demand. In its creation, supply releases the money in the form of outlays for raw materials, wages, dividends, and interest that enable people to clear the market. Government intervention, which acts as a damper on impulse to produce, is an engine of universal impoverishment because it leaves less in the market to be cleared.

Mr. Hazlitt has, in a sense, brought William Graham Sumner's "The Forgotten Man" up to date. Sumner, writing at a time when government intervention consisted largely of staking people to build railroads from nowhere to nowhere, reduced the art of politics to a conspiracy of A and B to see what C could be made to do for D. The forgotten C was a minority in Sumner's time; now he is in the majority, even though he can't see his position himself. The young couple trying to save for a house suffers because A and B want tax money for public housing that soon becomes a slum. The TVA may look like a miracle in Tennessee, but the Northeast, in paying for it, fails to build its own power plants. Hazlitt, in brief and telling chapters, gives us a run-down of how the forgotten C is shorn by spread-the-work



schemes, the attempt to maintain "parity" in agriculture, the bail-out of failing industries, the establishment of rent controls, the efforts to legislate full employment, the slow-down of investment in labor-saving machinery, and the sluicing of enormous sums of money to bureaucrats who may toil but never do manage to spin.

It's all as cogent now as it was in the 1940s. Hazlitt has had his effect in educating a whole generation of libertarians who are now, as he says, becoming more outspoken and more articulate. But will we have to wait another 30 years for the Hazlitt ideas to have consequences? The unfunded liabilities of our Social Security system are, so Hazlitt estimates, more than $4 trillion. How are we ever going to get out of that box?

John Chamberlain is the author of The Enterprising Americans.

Why Johnny Still Can't Read

The Case against Government Schools.
By Frank E. Fortkamp. Westlake Village, Calif.: American Media. 1979. 149 pp. $4.95 (paper).

Legislated Learning: The Bureaucratization of the American Classroom.
By Arthur E. Wise. Los Angeles and Berkeley: University of California Press. 1979. 220 pp. $10.95.

Reviewed by Samuel L. Blumenfeld

For many critics of the American public school system, the idea of educational freedom—that is, the separation of school and State—is an idea whose time is fast approaching, if it hasn't already arrived. There is a growing recognition that the many problems of public education are not only insoluble but will multiply and worsen in the coming years. There is also the recognition that, as public education falls more and more under the control of a centralized federal bureaucracy, it will become increasingly incompatible with the ideals of a free society. In *The Case against Government Schools*, Dr. Frank Fortkamp offers a refreshing alternative to the present system which he calls FEE: Free Enterprise Education.

Fortkamp, a former high school principal with a doctorate in educational administration, knows the government school system from the inside. He minces no words about it. "American Public Educa-

tion," he writes, "primarily exists to provide work for incompetents thinly disguised as 'teachers' and 'educational administrators.'... They, in fact, very often earn their livings by 'problem solving' the crises they themselves perpetuate in order to keep their troubleshooting jobs intact. Only a fool is his own physician." Since he is convinced that the present system cannot correct itself and can only get worse, he advocates the complete privatization of education in America and a complete ban on taxation for education. "If education became another commodity competing in the open marketplace," he writes, "the quality of teaching and the effectiveness of administration would change drastically."

Fortkamp outlines the many benefits that Americans would reap if they adopted the "constitutional principle of separation of school and state." There would be healthy competition for the consumer's educational dollar, a great variety of schools big and small, tutoring services of all sorts, great freedom of choice for parents, and the elimination of a tremendous tax burden.

It all makes a lot of sense. But how do you bring it about in a country where most people assume that education is a legitimate and desirable function of government? By making people aware that the problems of public education are caused by the very intrusion of government in an area where government really doesn't belong. Dr. Fortkamp argues this quite persuasively, in a way that anyone can understand.

Of course, the first question skeptics will ask is what would happen to the poor if all education were privatized. Fortkamp responds by pointing out that the poor are the primary victims of the present incompetent government system. They make up in large part the army of functional illiterates being turned out by our public schools. "The precise evil of the Public Education System in terms of the poor and minorities," he argues, "is that the system equips children to live in a welfare state when, in fact, they will have to function in a capitalist society." He argues that they would be the biggest gainers from Free Enterprise Education. And he is probably right.

Fortkamp has done more than simply write a book about the benefits of educational freedom. He has also formed an organization to promote the implementation of his ideas (Association for the Advancement of Free Enterprise Education, 115 Haight Street, Suite 2, San Francisco, CA 94102).

Arthur E. Wise, author of *Legislated Learning,* is the social scientist whose earlier book, *Rich Schools, Poor Schools: The Promise of Equal Educational Opportunity*, was in large measure responsible for the New Jersey Supreme Court's 1972 ruling in *Robinson* v. *Cahill,* which mandated equity in school expenditures so that all public schools could provide the same educational opportunities for all the state's children regardless of a school's location. And now that this principle of financial equity has been accepted nationwide by public school bureaucrats, legislatures have shifted their attention to the more difficult area of educational content.

It's easy enough to slice the money pie so that each school gets its equitable share. But how do you determine what an "equal educational opportunity" is? You first have to define "educational opportunity." And once you do that you have to legislate it into existence. Which is what is happening all over the country as state lawmakers mandate educational achievement through minimum competency requirements and other such policies to ensure that high school graduates can read, write, and do simple math. The result, according to Wise, is the "bureaucratization of the American classroom."

So what else is new? "Success in solving problems of equity," Wise writes, "is encouraging policy makers and those who appeal to them to try to solve problems of productivity as well.... Productivity questions are intrinsically more difficult than equity questions because they arise not out of a political impasse but from a fundamental lack of knowledge about how to teach." What an admission of failure! The State has had a virtual monopoly on teacher training for over a hundred years and it still doesn't know how to teach! No wonder the nation is becoming illiterate. And no wonder the lawmakers are mandating that public school teachers teach the basics. But what is mind-boggling is that laws should be needed at all requiring that teachers do the job they've supposedly been hired to do.

Wise's assumption that there is "a fundamental lack of knowledge about how to teach" is symptomatic of the narrow vision characteristic of so many of these social scientists. Hasn't he ever heard of Rudolph Flesch or a dozen other critics of modern pedagogy? The simple fact is *there is no lack of knowledge about how to teach the basics.* But there is a tremendous resistance among professors of education in recognizing that knowledge. I wrote of this at length in my own study of the reading instruction problem, *The New Illiterates,* published in 1973. But the establishment social scientist lives in the narrow, rigid world of public agencies where knowledge is not recognized unless it is generated within the fraternity and within a conformist range of scholarship. To do otherwise is to invite ostracism.

Wise accepts State education unquestioningly. His concern is with the future shape that bureaucratization will take. He is afraid that the trend toward legislated learning will tend to centralize the control of educational policy in the hands of the central government. He thinks that this will "cast the welfare of the individual as subordinate to the welfare of the state." Congratulations. It's nice to know that even some establishment insiders are beginning to recognize the inevitable negative consequences of statism.

Samuel Blumenfeld is a free-lance writer and the author of several books on education.

IQ (Intelligence Questions)

Bias in Mental Testing.
By Arthur R. Jensen.
New York: Free Press, Macmillan. 1980.
786 pp. $29.95.

Reviewed by William R. Havender

A distinguishing feature of libertarian social theory is its location of justice in the elementary acts between individuals and its consequent acceptance of any sort of overall "order" that arises as the result of just elementary actions. This is in contrast to the "social engineering" approach, which applies a normative standard to the aggregate order (for example, a "just" distribution of income) and manipulates its elements so as to yield the "right" overall result.

This same divergence of principle underlies the current flap over affirmative action. On one side are those who take the *a priori* normative position that any lack of strict proportionality in group ratios at any time at any level is naked proof of invidious discrimination; hence the various stages of selection we all pass through ought to be manipulated so that a "socially desirable" proportionality is maintained at all times. On the other side are those, like us, who argue that there is no way to define justice to groups that is distinct from the just treatment of the individuals that comprise them; hence, any distribution of group proportions that results from the fair treatment of individuals is by that itself just.

This is the framework in which to view the ongoing controversy about IQ tests. The point of departure for this debate is that IQ tests and all other standardized tests of achievement and professional aptitude (for example, the SAT, MCAT, LSAT, or GRE) do not generally yield the same proportions of various social groups all the way up the grade distribution, even though the identical test is given to each person and each is graded blindly. Specifically, the central tendency of blacks is lower than that of gentile whites, and that of the latter well below that of both Orientals and

Jews; and the central tendency of higher socioeconomic groups is above that of lower ones, and that of southerners below that of northerners.

There is, of course, a wide overlap in all of these distributions, and it should be clearly understood that what is not at all at issue in the current debate is whether individuals should be evaluated in terms of the average scores of their group rather than their own manifest abilities (for example, a return to racially segregated public schools). No party to the central debate argues in favor of such measures.

What *is* at issue are two questions. One, a normative matter that need not be argued here, is whether we really want after all to accept the outcome of fair treatment of individuals, even when it *is* conceded to be fair at this level, if this has the result of generating large group disproportions. The other is a much more limited question, namely, whether standardized tests are, despite surface appearances, all that fair in the first place. Perhaps the average group differences in scores are caused by bias in the tests against some ethnic or economic groups, with the bias lying not at such a superficial level as unfair grading but in the sorts of questions it asks and the kinds of experiences and cultural knowledge it presupposes. It is the latter question that this massive book by Arthur Jensen addresses. It is a brilliant book that will inevitably be, if not the last word (faint hope!), the Mount Everest in this field. Anyone wanting to take intelligent part in this debate will have to be familiar with its contents.

I do not intend to review all the technical arguments set forth in this book but will merely indicate that it contains detailed and thorough discussions of all the usual questions laymen ask about IQ and aptitude tests. In brief, IQ tests do measure intelligence (that very thing whose reality we experience in such commonplace observations as the fact that kids get smarter as they get older); the rankings determined by mental tests do correspond rather well to later academic performance; such evaluations have virtually the same predictive validity for whites, blacks, "native" Americans, Japanese, Chinese, Hispanics, southerners, northerners, the rich, the poor, and even New Yorkers, as long as they are raised in this country and speak English; average group differences are not explainable in terms of the race or ethnicity of the test giver; and mental tests do have an uncanny power to "read through" social veneers and reveal significant differences in academic capability. Nothing currently exists in the way of an alternative means for making merit allocations of scarce academic opportunities that, at the level of individuals, is as fair, objective, and *un*biased as mental tests.

This is not to say that tests are never misused or abused, and Jensen is quite circumspect in what he advocates as the proper uses of mental tests. But such misuses are largely rooted in the bureaucratic sloppiness, lethargy, and indifference that we well know typifies the system of public schooling and that can only be remedied by means of a radical shift toward educational voluntarism. The purely scientific question whether individual differences in intelligence can be ascertained by means of mental tests can certainly be answered in the affirmative.

If it is true that the evidence supporting the validity of mental tests is compelling (and this book should convince you that it is), then one might reasonably wonder why the same old canards about bias, or about IQ not reflecting "real" intelligence, get thrown up again and again in the public discussion. I cannot tell you what the reason is, beyond observing that it is very much the same reason why, in the face of the mass of evidence establishing the superiority of the free-enterprise system in speeding economic growth and fostering civil liberties, the likes of Galbraith, Commoner, Harrington, Heilbroner, Howe, and Hayden continue to drone on about the marvels of their Lorelei, socialism. It is a faith akin to religion, and like a religious conviction, it is impervious to all possible counter-demonstration. One might with justice call *this* attitude a "test bias."

Bill Havender has a Ph.D. in genetics from the University of California at Berkeley.

Randian Admirer Admired

The Watcher.
By Kay Nolte Smith.
New York: Coward, McCann & Geoghegan. 1980. 327 pp. $10.95.

Reviewed by Tibor R. Machan

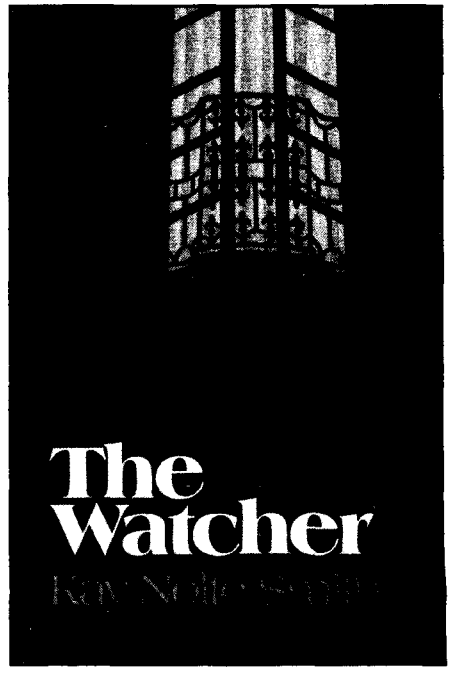
For 20 years following the reading of Ayn Rand's novels, I have witnessed efforts by admirers of Rand to write some kind of fiction that will touch some of the spots in the reader that Rand's works have touched so effectively. Nothing but cheap imitation. By now I have grown callous, and if I learn of some author's admiration for Rand, I avoid any resulting fiction on principle. Why put myself through yet another strained effort? Why witness the waste of someone's time, some valuable paper, and my own energy?

Now and then, however, I find that admirers of Rand do work that merits praise and study. In philosophy there are now quite a few such individuals. In other academic fields this is beginning to be true as well. But in the arts I really haven't found any of the admirers to come up with something that hit home until I read this book.

Smith has written a gripping mystery that contains what one wants from a good mystery novel—suspense, plot, characterization, action, dialogue, and climax. And the framework of ideas that forms the intellectual, spiritual, psychological, and political climate of the work is a refreshing relief from what one usually gets these days in any novels with serious overtones.

Let me not tell you very much about the story except that it revolves around the death of a noted intellectual/scientist whose ideas are just a bit more extreme than, say, those of the philosopher John Rawls, and whose character is probably more despicable, by being more vulgar, than that of *The Fountainhead's* Ellsworth Toohey. From very early on the novel gains the reader's full attention, although in my own case it took a bit of time to overcome the distrust I had developed about anyone I knew to admire Rand. Since this issue is important to me, and since I am very conscious of the problem of taking some of the moral, political, and psychological ideas Rand has developed and making them work in fiction without Rand being the artist to do it, I was a bit less able to sink into the flow of the book than I am sure others will be. But not long after I started, the hesitation disappeared. In its place entered a sense of welcome. What a pleasure it is to read a book with good ideas, with some characters one can like, with themes other than that of power, lust, greed, and selfishness—the stuff of which the Harold Robbins and all the other pulp novels targeted for movie-of-the-week are made in our time.

Some of the writing in the book could have a bit more finesse. But for a first novel it is amazing how Smith has managed to craft a work that proceeds with as



much self-assurance as many a veteran's mature efforts. If there is one author who comes to mind when I read *The Watcher* it is David Karp, who wrote *One, All Honorable Men,* and *The Last Believer.* Karp's concern with the problem of integrity in various areas of human life is matched by Smith's concern with having a purpose in life, a trait that threatens anyone convinced that achievement is a vice and humility, self-abasement, a virtue.

If you like to sit curled up, rushing from one wave of intense emotion to the next, and if you are tired of being aware of either the reality of Jimmy Carter once again announcing some bonehead program not to fight inflation but to seem like he's fighting it or the fiction of *The China Syndrome* or *Fun with Dick and Jane,* then I recommend this book very strongly. And if you are only interested in how heroes with ideals of personal integrity and courage could fare against villains with the most venomous yet benign-sounding egalitarianism to motivate their lives, this book is for you as well. There are some scenes—in particular, where one key character comes to terms with what it means to be turned against one's talent because "one did not deserve it"—which are overwhelming. I hope that no one will miss out on the catharsis.

Tibor Machan is a senior editor of REASON.

Equal Odds

Life Chances.
By Ralf Dahrendorf.
Chicago and London: Chicago University Press and Weidenfeld and Nicolson.
1979. 181 pp. $15.00.

Reviewed by Antony Flew

Suppose that you have heard social scientists comparing the "life chances" of members of those several classes that they have identified for study, and perhaps proceeding to promote vast federally funded programs that they see as properly intended to achieve the progressive equalization of these life chances. Then suppose that you know the reputation of the present author—how after a brief but brilliant career as an academic sociologist in Germany he went to Brussels as a commissioner in the European Economic Community, and that he is now director of the London School of Economics and Political Science. Certainly you will approach this book with hopes high: Dahrendorf can be relied on, surely, to sort things out.

Not true, I have to report; not true at all. *Life Chances* is an elusive, oblique, meandering, undirected, and inconclusive causerie. There is no attempt to analyze what is supposed to be the central notion nor to make and to insist upon any of the fundamental and commonly neglected distinctions. No attempt is made to relate what is said or, rather, suggested to any of the current great divisive issues of political economy. The whole production is so wretched, and so miserably inferior to Dahrendorf's earliest work, that we have to grope about for some explanation. Is it, simply and boringly, that he has been trying to do too much: to be at one and the same time both an active administrative director and a creative academic worker? Or is it, more interestingly but less creditably, that he has realized that to unleash his own full intellectual force, and to follow the arguments where he can see that they are leading, would be bound to precipitate uncomfortable breaches with old political associates as well as with a large and vociferous fraction of his faculty at LSE?

Whatever the source of the inhibitions, of their crippling strength there is no doubt. "Life chances," says Dahrendorf, "are the moulds of human life in society; their shape determines how and how far people can unfold." A little later he admits as reasonable the quite inconsistent contention "that this abstract potential of man is of little relevance to real people," adding the paralyzed parenthesis: "(One may even suspect built-in reasons why the entire potential could not possibly be realized at one time.)"

This is a ridiculous grotesque. For it should be as obvious as it is fundamental that at some stage someone may face two or more alternative ways of spending (the rest) of his or her life, without having a further alternative of opting for both or all of these together. More generally still, it is an essential and distinctive fact of our human nature—a fact that both sociologists and socialists are for their own good reasons reluctant to admit to the front of their minds—that we are creatures that do, and cannot but, choose. But to make a choice precisely is to realize one of two or more alternatives, at the necessary price of precluding all others.

These points once grasped, we can and should go on, as Dahrendorf so lamentably does not, to show how, and why, there is so much confusion around and about his chosen subject. There is, for instance, chronic confusion both between life chances and lives actually lived, and between equal chances in a fair competition and equal likelihoods of success in such a competition.

Thus it is normal, yet nonetheless wrong-headed and methodologically muddled, to offer evidence of inequalities between the average levels of *achievement* attained by the children of various social or racial groups, as if this could be a direct measure of the degree of inequality of *opportunity* as between these groups. The conclusions of the Coleman Report in the United States, of Raymond Boudon's parallel surveys in France, and of virtually every socialist writer on education in Britain are all equally vitiated by this gross fallacy.

Again, it has become normal, notwithstanding that this too is manifestly fallacious, to argue that any deficiency making it unlikely that I shall win in some competition must constitute an unfairness in the organization and conduct of that competition: I am, it is complained, being treated unfairly and unequally as compared with the rest of the field. Yet if the chances of success—the probabilities of success—were indeed exactly the same for all participants, then what we should have would be not a fair competition but a fair lottery, not a contest but a pure and perfect game of chance.

Antony Flew is the author, most recently, of A Rational Animal.

Muddling the Tradition

The American as Anarchist: Reflections on Indigenous Radicalism.
By David DeLeon.
Baltimore: The Johns Hopkins Press.
1978. 242 pp. $14.

Reviewed by Charles Hamilton

David DeLeon's book is not a history of American anarchism, but rather an interpretive essay on the strong but more amorphous thread of anti-authoritarianism that runs through American history and American radicalism. This is a massive task, and I can think of no single book that does take on "the long neglected and fallow field of American radicalism," as Albert J. Nock expressed it. The anticipation of reading such a book must fill libertarians with excitement. For there is a wonderful, though little-known, libertarian heritage that *is* ours.

It is quite a disappointment, then, to find that this book is self-important and confusing. It is a jungle of facts connected by capricious categories and definitions. By the time we have reached the last page, we have learned very little about anarchist history, the anarchistic impulses in American history, or the nature of American radicalism.

The organization of the book is sensible enough. The first part discusses three elements of our social environment that have nourished our liberatory urges: religion, the frontier, and capitalism. From this general framework, the second part of the book deals with some of the political expressions of this desire for freedom. There are chapters on liberalism, right libertar-

ianism, and left libertarianism and one chapter on their opposite—statist, or authoritarian radicalism. Finally, the last section discusses the revival of the anarchistic sensibility during the 1960s and '70s and some of DeLeon's own ideas for an expanded and more relevant libertarian radicalism.

All this is done in approximately 140 pages of text, so we have to expect brevity, generalization, and abstraction. Unfortunately, in the process, most of the life is squeezed out of history, and people and ideas are placed in uncomfortable procrustean beds.

A sense of the problems that pervade this book can be appreciated by looking at several examples. In his discussion of the influences on American anti-authoritarianism, for instance, DeLeon rightly observes that "capitalism was a vital, progressive force when it cracked the structures of feudalism, allowing the emergence of a society of choice, a society of constant change." From there on the discussion of capitalism is confused. DeLeon's definition of capitalism is misleading, based as it is on ownership "by small numbers of people" (this sounds more like feudalism) and concepts like surplus value. He fails to distinguish between capitalism and state capitalism or to discuss the historical development of both tendencies. There is virtually no discussion of the sophisticated and liberating functions of the market and *private property, while capitalism is summarily* blamed for fostering "narcissism," "self-denigration," and "bondage to the individualism of consumption."

Why are religion, the frontier, and capitalism *the* formative influences, anyway? Admittedly, one cannot mention everything, but the case and context for these specific influences is not made. What about the crucial role that ideas have played in the development of our anarchistic sensibility?

After reading the first section of the book, one wonders how it was that statism ever arose and why we are not now living instead in total and joyous freedom. There is no appreciation of the rise of statism or of the elements of authoritarianism and obedience to authority that are also parts of our societal development.

The use of the terms *left* and *right* libertarianism perpetuates useless and misleading categories. There is an important methodological error here. People and ideas should be discussed in relation to their own time and place, not forced into contemporary molds. Henry David Thoreau, Ralph Waldo Emerson, Walt Whitman, Benjamin Tucker, Albert J. Nock, Randolph Bourne, and Henry George—all libertarians—would be properly appalled to be called right-wing, as DeLeon does.

It is to DeLeon's credit that he acknowledges the existence and importance of individualistic and free-market traditions in American radicalism. But if one *is* going to simplistically package history in political phrases, then one should either use the usual definitions or define one's terms precisely. DeLeon does neither. What libertarian, of any persuasion, would include, as DeLeon does, workers' control and trust-busting as examples of right libertarianism, or John D. Rockefeller II and George Wallace as right libertarians?

Let me mention one last problem. DeLeon takes pains to distinguish between "indigenous radicalism" and "imitators of foreign radicalism." He wants to ignore the second because they are usually authoritarian and alien to our historical and cultural traditions. The truth of this distinction is quickly overshadowed, though.

One gets the sense from this book that American radicalism grew virgin from American soil. One looks in vain for the incredible heritage of liberty that came to this continent from, for instance, the Levellers, British radicals and old liberals, Enlightenment thinkers, free-market writers, and European anarchists. Some of their ideas represent the grounding of our libertarian heritage, while others have obviously been ignored or forgotten. Other aspects of this foreign influx of ideas have been either irrelevant to the American scene or baldly authoritarian. But without embracing this rich influence and analyzing it, any discussion of our tradition of *anti-authoritarianism is misleading.*

Yet, ironically, DeLeon's own ideas for infusing with new life this wonderful and culturally grounded American anarchistic sensibility is to import the lessons of the Paris Commune, the Spanish Civil War, and the Russian Revolution, together with the ideas of Pannekoek, Oscar Lange, and Andre Gorz. Those lessons may very well be able to enrich our view of liberty, but one cannot help but be skeptical about a book that, having consistently ignored foreign influences, brings them in without context in the last three pages.

One could go on, of course, about the problems with the chapter on liberalism, about how the old right is not discussed, or about how DeLeon's vision of a contemporary "anarcholibertarianism" looks like the old Socialist Labor Party program. In any case, this book has tried to provide a "general theory of American radicalism" that recognizes and firmly establishes its strong libertarian underpinnings, but in its stead we find confusion and little insight.

There is an inspiring and clear tradition of anarchist and libertarian impulses and thoughts in our history. But as Norman Birenbaum has written in another context, "The United States, insofar as major aspects of its past are concerned, remains an unknown country. . . . We are at the beginning of a voyage of self-discovery that may yet revise some of our notions of our social provenance." Unfortunately, DeLeon's book is of little help in this adventure.

Chuck Hamilton is the publisher of Free Life Editions and the former publisher of Libertarian Review.

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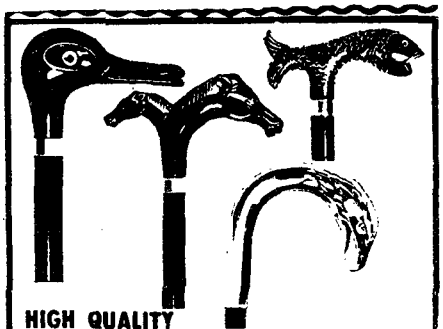
letters

(Continued from p. 14.)

his directorship, had maintained a rather consistent defense of First Amendment freedoms from a libertarian viewpoint.

First, we should notice that at no time during the days the Nazis wanted to march in Skokie did the ACLU point out that the conflict arose from the Nazis' plan to use *public property* supported by Skokie's Jewish taxpayers. The entire crisis could have been prevented had the Nazis been voluntarily persuaded to use a private rental location for their obnoxious gathering. But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the ACLU wasn't interested in such a libertarian solution.

Second, according to "Why the ACLU Defends Free Speech for Racists and Totalitarians," the Union took the case of the Nazis because they objected to the town of Skokie passing a group libel law to prohibit anti-Semitic expression. Certainly no libertarian would sanction any group libel law, since such government power could be used to silence any group of citizens who are critical of any other group....

Third, in addition to numerous other contradictions and inconsistencies reviewed in my book *The ACLU on Trial*, Neier wrote in his *Dossier: The Secret Files They Keep on You* that he wants to "destroy the dossiers"; that is, he wants to destroy all personal record information held by *all* public agencies, regardless of its use in pending or future investigations, and *all* dossier files held by private organizations (p. 192)! One wonders if this would include the extensive personal case records at ACLU headquarters in New York? Neier completely fails to distinguish between the wrongful misuse of information to harm people and the mere collection of public record material which harms no one. He would use force to deprive me of my right to collect such information. He even finds attractive (p. 198) a law that would make it illegal for employers to use convict arrest records as a basis for refusing to hire prospective employees!

Finally, in his more recently published *Crime and Punishment: A Radical Solution*, Neier affirms his support for the ACLU's position advocating totalitarian federal gun controls. On p. 65 he says, "I favor outright prohibition of all private ownership of guns. All guns. This proposition seems to me as sensible as prohibiting private ownership of nuclear weapons." If that were not incredible enough, he closes his argument on p. 71 by saying, "Elsewhere in this book, I propose that the state do less. Here, I want the state to do more. I want the state to take away people's guns." Exactly the sort of thing that was done in the Nazi Germany from which Neier was fortunate so early in his life to escape.

I trust that such an impressive and articulate libertarian as Ms. Abrams would not wish to be associated with such views or convey to her readers a favorable impression of their source.

William H. McIlhany
Newport Beach, CA

LUCIFER'S LEXICON

by L. A. Rollins

compassion, *n. A candidate's pity for the suffering or distress of eligible voters, with the desire to help, if elected.*

considerate, *adj. Thoughtful of others and of what they can do for one.*

lie, *v.i. To knowingly utter an untruth, as when Jimmy Carter said, "I will never lie to you." Actually, Jimmy Carter will not lie to us—as long as he delegates that responsibility to Jody Powell.*

majority rule, *n. In the United States, rule by a minority selected by a minority.*

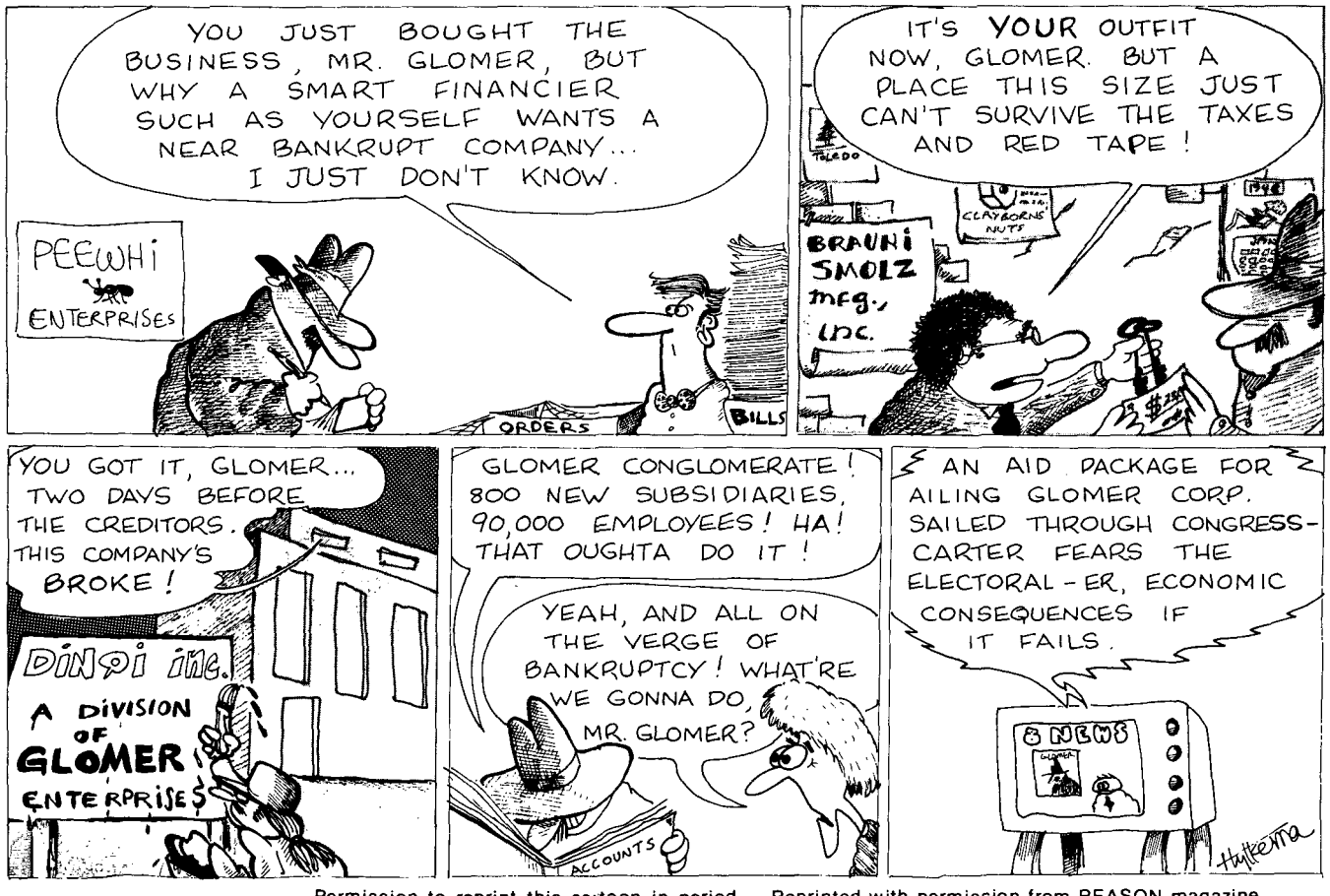
national honor, *n. An oxymoron cherished by oxy morons.*

stimulus-response politician, *n. A knee-jerk opportunist; a politician who Brown-noses the electorate.*

un-American activities, *n. pl. Deeds done in the spirit of '76.*

rudebarbs

by Randall K. Hylkema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NEWS
hylkema

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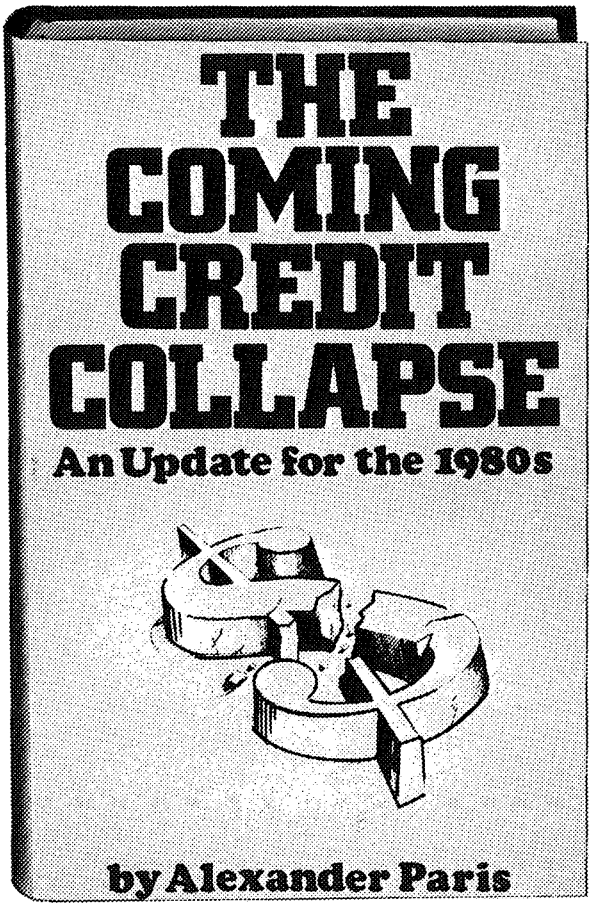

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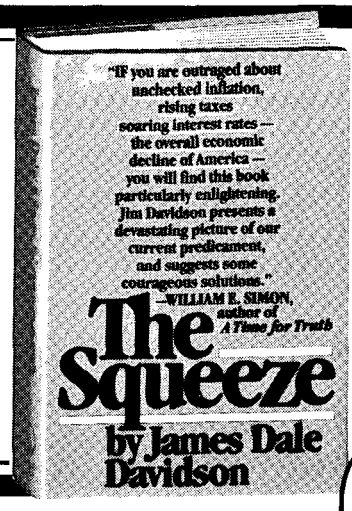
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